

Concern And Harmony Mark Special Meeting On Company Tax Measures

Deeply concerned about the possible impact on their respective companies, yet exhibiting no disposition to split off on tangents, some 250 executives of 170 member companies of American Life Convention, Life Insurance Assn. of America and Life Insurers Conference met at Chicago late last week to get from their joint income tax committee the latest word on Treasury measures and industry counter-measures for a permanent basis for taxing the life companies.

Unfortunately, only the most general description of the Treasury's total-income basis for taxing the companies was available, but a graphic and disturbing indication of what is the



Deane C. Davis

matter with it—mainly failure to give sufficient credit for surplus and special reserve requirements—was provided by copies of an 8-point memorandum prepared by the committee and presented to the Treasury in an effort to get recognition for the special needs of life insurance operations. At the same time it was made clear at the meeting that mere modification of the total income proposal by no means makes this approach acceptable to the associations, among which there is almost universal opposition to the total-income basis.

Another purpose of the meeting was to elicit ideas from those attending that might be helpful to the tax committee, which is headed by Deane C. Davis, president of National Life of Vermont. Some people indicated they would like to hold out for the present Mills law, now in force as stop-gap legislation, after being enacted first in 1956. A group of companies put in a proposal for a "total-receipts" basis.

The eight points which the committee has urged the Treasury to consider dealt almost entirely with the special needs of life companies in building up adequate surplus and special reserve funds because of their long-term commitments.

Suggest Several Points

As a basis for discussing the improvements and refinements to be incorporated in any total income formula which might be proposed by the Treasury Department, the joint committee suggested the following points:

1. Adjustment for different methods of valuation. The company which uses a preliminary term method of valuation for issues subsequent to the effective date of the law should not suffer a tax discrimination because its addition to reserves in the first policy year is a very small figure compared to the company which uses the net level premium valuation method.

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3 Associations Ask High Court To Deny A&S Role FTC Seeks

LIA, ALC, HIAA File Amicus Brief Urging Affirmation Of Appeals Court Decisions

WASHINGTON—An amicus curiae brief has been filed with the U. S. Supreme Court jointly by Life Insurance Assn. of America, American Life Convention and Health Insurance Assn. of America challenging Federal Trade Commission's broad claim of jurisdiction over A&S insurance advertising. The two cases before the Supreme Court—Federal Trade Commission vs. National Casualty and Federal Trade Commission vs. American Hospital & Life—raise the question whether the FTC may regulate the advertising of insurance in states where that advertising is regulated by state law.

The amicus brief filed by the associations asks the Supreme Court to decide in favor of the companies and uphold two previous decisions by the courts of appeals of the fifth and sixth circuits that the FTC has no jurisdiction over A&S advertising where that advertising is already regulated by state law. The associations' brief states that a system of dual regulation, as asked by the government, would lead inevitably to conflicts, would be burdensome and confusing and would be directly contrary to the will of Congress.

Pointing out that both the language and the legislative history of the McCarran act, passed by Congress in 1945, make it plain that the FTC act does not apply to insurance activities covered by state legislation, the associations emphasized throughout the brief the language of the proviso in section 2 of the McCarran act.

"The words of the proviso precisely define 'the extent' to which the Federal Trade Commission act is to apply to the business of insurance; the operative and controlling words are 'to the extent that such business is not regulated by state law'. The 'extent' is thus explicitly stated in terms of the absence of 'state law'. These words plainly mean that the Federal Trade Commission act is not to apply to any aspect of the business of insurance that is covered by a state regulatory statute," the brief continues.

The insurance associations then discussed the government's argument that in the two cases there is no conceivable conflict between state and federal policy and that, in the absence of such conflict, the McCarran act should not be read as prohibiting FTC jurisdiction.

"The difficulty with this association," the amicus brief states, "is that it fails to take account of the words of the statute but instead addresses itself to a hypothetical legislative problem. Before United States vs. Southeastern Underwriters Assn., the subject matter covered by the three fed-

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Harry R. Kendall, Co-Founder Of Wash. Natl., Dies

Harry R. Kendall, 81, co-founder of Washington National, died at Fort Lauderdale, Fla., where he had a winter home. Mr. Kendall would have completed 65 years in the insurance business May 17. The Kendall family is widely known in insurance. Originally there were six brothers, all born on a farm in the vicinity of Louisville.

The oldest, James S., entered insurance in 1890 with Prudential. Then, beginning with Harry R. Kendall, all the rest entered the business with the same company in regular succession.

The sales records set by the Kendall family attracted nationwide attention. Harry Kendall remained with Prudential for 30 years and was superintendent at Louisville for almost a quarter of a century. When he resigned in 1923 to establish a company of his own, he was leading the entire U. S. for Prudential. Beginning on an industrial debit in New Albany, Ind., in 1893, he became an assistant superintendent and remained in that post for three years at Covington, Ky., and Columbus, Ind. Then, at the age of 20, he was named in charge of the Terre Haute office. His record there was so outstanding during the next two years that he was promoted to superintendent.

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LAA EASTERN ROUND TABLE

Cameron Sees Tangibles Prospering Jointly With Life Insurance, Not As Competitors

NEW YORK—The role of tangibles, often cast as the "bad guys" in competing for dollars that should be used for life insurance premiums, was put in a new and more favorable light by President John L. Cameron of Guardian Life in his talk at the annual meeting here of the Life Advertisers Assn. Eastern Round Table.

"We have said that our real competition is not that between companies but rather competition with other de-

mands for the public's dollars—competition between today's wants and tomorrow's needs," he said.

"Have we really thought that one through? Could we really prosper if we basically were competing against those who make and sell automobiles, television sets, refrigerators, home air conditioners, hi-fi sets, even those who build houses? I wonder. These people are our customers. One can not prosper at the expense of the other. We all prosper together.

"The reason we sell life insurance nowadays is so that a man's family can continue to enjoy some of the same kind of things he gave them when he was alive. Provision of food and clothing is not a high enough objective for modern life insurance. We

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John L. Cameron



At the Eastern Round Table conference of Life Advertisers Assn.: from left, Donald L. Hopkins, sales promotion supervisor of Life of North America and member of the LAA executive committee; President John L. Cameron of Guardian Life, a guest speaker; Goldie Dietel, sales promotion supervisor of Equitable Society, chairman of the Eastern Round Table conference; Morgan S. Crockford, secretary of Excelsior Life of Canada, president of LAA, and F. L. Cooper, director of advertising of New York Life, program chairman for the meeting.

N. Y. Study Shows Impressive Coverage For Medical Care

But Problem For Older Person Largely Remains Unsolved, Report States

The New York insurance department has completed a year-long study of the problem of providing adequate medical care insurance to older persons. The report, entitled "Voluntary Health Insurance and the Senior Citizen," makes available for the first time comprehensive morbidity tables on hospital expense, surgical expense and in-hospital doctor visits coverage. The department believes that underwriters, seeking to devise new programs for the extension of medical care on a sound actuarial basis, will find these tables of value.

The department's investigation indicated that about 80% of the state's residents had hospital expense insurance in 1956; close to 70% were covered for surgical benefits; about one-half had some form of medical expense insurance covering doctor visits, and a little more than 10% were insured under the new major medical expense type of policy, which provides reimbursement for a comprehensive range of medical care service.

However, the report states that while the growth of voluntary health insurance has been impressive, the needs of New York state's citizens 65 years of age and over are largely unmet. Only about 35% of senior citizens have hospital insurance and an even smaller proportion are covered by some form of medical care insurance.

In group insurance, the predominant form of voluntary coverage today, provision for continuation, after retirement, of hospital expense and surgical coverage is made for approximately one-third of the employees so covered. About 22% with group protection have the right of conversion to individual policies on retirement but at substantially higher rates. In individual insurance, little more than 1% of all health insurance policies are non-cancellable or guaranteed renewable for life.

The report concludes that the problem of medical care protection for older persons is still largely unsolved, with no provision currently being made for continuation of coverage for about two-thirds of the state's working population. The department's study cautions that "the development of a comprehensive and effective program of voluntary health insurance for all of our senior citizens will require more than the sanction of government and the willingness of the insurance industry. Its success will ultimately depend upon the understanding and vigorous support given to it by the employers, the labor organizations and the working people of our state."

The study was conducted under the direction of F. Roger Downey, administrative assistant to the superintendent. Copies may be purchased from the New York department, 324 State street, Albany, at \$1.25 per copy.

Complete Program For IAAHU Annual At L. A., June 11-14

The program has been completed for the annual convention of International Assn. of A&H Underwriters at Los Angeles, June 11-14. The meeting will open June 11 with IAAHU board meetings followed by the president's reception sponsored by Provident L.&A.

Travis Wallace, Great American Reserve, will make the key-note address on June 12 and Robert Brown Jr., Pacific Mutual Life, will speak on "Role of Disability Insurance in the Business Continuation Plan." An afternoon industry workshop moderated by James E. Powell, Provident L.&A. will feature V. J. Skutt, Mutual Benefit H.&A., and Mr. Wallace.

J. Edward Day, vice-president Prudential, will make a luncheon address June 13, and an association workshop will be held that afternoon with James Williams, Health Insurance Council, and C. H. O'Connor, executive director, Insurance Economics Society.

A general sales meeting will be held June 14, with talks by Herman Ford, Southland Life, "Sales Speaker;" Darwin S. Liggett, Pacific Mutual, "Small Group;" and Sig Struttrep, Mutual Benefit H.&A., "Sales Speaker." The new IAAHU board will meet in the afternoon.

Evening entertainment planned for the convention includes TV studio programs, tours to interesting places in the area, a major league baseball game, a cocktail party sponsored by Occidental of California and Pacific Mutual, and the annual banquet and dance.

Chicago Life Assn. Sales Congress Gives Serious Thought To Bettering Business

By WILLIAM H. FALTYSK

A goodly section of Chicago's life insurance fraternity was recently "stimulated, rocked and rolled, revitalized and the recipient of the largest hypodermic of enthusiasm ever administered—all this without painful surgery or the sting of the needle," according to Gerhard C. Kreuger of Equitable Life of Iowa, president of the Chicago association, who made this prediction in his opening remarks and had the satisfaction of seeing his words borne out with considerable accuracy. A variety of speakers, with talks both emotional and completely factual, offered the nearly 500 life men attending the congress a number of valuable ideas to put more dollars in their pockets and develop new methods of increasing job satisfaction.

Mr. Kreuger pointed out that this will be the fifth straight election year that social security has been liberalized. It has now reached the point where the fund for the first time will run into the red, he declared. "This is a threat to our industry and the economic welfare of our community," he said, and added that the answer is to make the public aware of all of the pitfalls in the act. He advocated use of NALU's sound-slide film strips on the subject as one of the methods to achieve this goal.

"In other words, every member of this association must be committed to a greater effort in behalf of our public relations program. The public must be aware of the existence of your association to the degree that our name

becomes synonymous with any public service program in our community. Only then can we expect public backing of our legislative efforts locally or nationally. Believe me when I say that public relations and legislation go hand in hand." It's calculated suicide to attempt to legislate without the proper backing of the insurance buying public, said Mr. Kreuger, who implored his listeners to get behind the association's various projects directed toward good public relations.

Mr. Kreuger then sprung a surprise on General Agent Paul W. Cook of Mutual Benefit Life by having John O. Todd, president of Todd & Zischke Services, present Mr. Cook with a resolution of appreciation from American College, commending his efforts for the CLU organization as a director, from which post he has recently retired.

Tells Prospecting Procedures

Allen White of New York Life led off the formal program speakers by giving some of his procedures on prospecting. Mr. White, who is an MDRT member and noted as a speaker for his company's club meetings, as well as insurance industrial meetings and lectures to private industry, presented a highly moving talk about the "greatest enemy of any family—loss of income when needed most." He said today selling life insurance is not hard, but in order to sell there must be interviews and for interviews there must be prospects. To get these prospects, Mr. White uses direct mail and telephone. He said he used to do a lot

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Kalmbach Tells Mass. Mutual GAs:

Career Life Agents Will Do Better, Not Worse, As Fire-Casualty Men Move In

President Leland J. Kalmbach believes the trend toward fire-casualty companies getting into the fire business—"one of the most interesting developments of these times"—will continue, but he also believes it will help rather than harm the career life agent.

"The specialized knowledge of career life underwriters has never been so important as it is today, and I am convinced that the rewards for such knowledge will increase rather than decrease as the number of inexperienced men selling life insurance increases," he told Massachusetts Mutual's general agents association at its meeting in Palm Springs, Cal. He also announced the two changes in policy contracts.

Mr. Kalmbach said in his opinion the movement of fire and casualty companies into life insurance will continue because while these companies have suffered underwriting losses dur-

ing the last few years, life companies have prospered and have given many general companies the idea that the addition of the earnings of the life insurance operation would have a stabilizing effect on over-all earnings.

However, as to the theory held in some quarters that insurance companies will prosper in the future to the extent that they make it possible for the policyholder to satisfy all of his insurance needs through one company, one agency, and one agent, Mr. Kalmbach said: "I think that life insurance needs can be adequately covered only through the services of trained, experienced life underwriters—specialists who are prepared to offer expert advice and expert service."

The new contracts announced by Mr. Kalmbach are a single-premium retirement annuity, and extension of the maximum age limit for issuance of term insurance 65 to 70. Describing the single-premium retirement annuity contract, he said it contains favorable features of the annual premium retirement annuity including optional retirement dates, a death benefit equal to the cash surrender value but not

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Trophy Winner



Harry C. Copeland Jr., left, receives from President Leland J. Kalmbach of Massachusetts Mutual the president's cup for the best all-round agency. Mr. Copeland, general agent at Syracuse, N. Y., received the cup at the Massachusetts Mutual general agents convention at Palm Springs, Cal. He told his fellow-general agents how he had broken his agency territory into its component parts and then recruited men with the right background to sell each particular market.

"We want to give the man confidence in a limited area rather than have him overwhelmed by the entire spectrum, for salesmen are psychologically sensitive people," he said.

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CLINCH THE SALE
WITH...

THE TRAVELERS AUTOMATIC PREMIUM CHECK PLAN

Here's a new service from The Travelers that's helping agents and brokers close interviews successfully.

The Automatic Premium Check Plan is a simple, convenient method of paying monthly life insurance premiums automatically for any policyholder with a regular checking account and a policy with monthly premiums of \$10 or more. It's a plan that ties in with the modern American concept of monthly finance budgeting . . . one that not only makes the sale easier but encourages prospects to acquire more needed coverage.

Policyholders and prospects appreciate the

Travelers Automatic Premium Check plan because:

premiums are less than if paid monthly the usual way.

the writing and mailing of checks each month is eliminated.

danger of policy lapse is reduced.

Get full details on the Travelers Automatic Premium Check plan. Inquire at any Travelers Branch Office or General Agency. Or write Agency Services, The Travelers, Hartford 15 Connecticut.

ONE OF THE LEADING LIFE INSURANCE COMPANIES



THE TRAVELERS

HARTFORD 15, CONNECTICUT

Coe, Miller, Scally In New Group Posts

Mutual of New York has promoted Donald L. Coe to the new post of director of group sales at the home office. He joined the company in 1948 at Los Angeles, going to the home office in 1953 and to Atlanta in 1954 as a specialist in "module" or small group plans.

Frank A. Miller, a module and group specialist with the company since 1954, has been with the company since 1950 and has been appointed regional group manager at Atlanta.

Robert L. Scally, who was a group supervisor in New York City with Travelers and later district group supervisor there for Massachusetts Mutual, becomes manager of the New York group office. He has been with the company since 1955 as a module specialist.

Paul S. Mills, managing director American Society of CLU, addressed the March meeting of Grand Rapids, Ann. of Life Underwriters. The local CLU chapter also participated in the meeting.

You Think You Got Troubles?

Why Life Looks Good To Fire And Casualty Man But Not Vice-Versa

Some life companies have been chafing against the New York restrictions that prohibit them from doing a fire or casualty business or even owning control of a company in that field. To help reconcile them to their lot and for the benefit of all who find it easier to laugh at the other fellow's troubles than their own, we offer this fantasy written by John N. Cosgrove of the editorial staff of The National Underwriter's Fire and Casualty Edition.

By JOHN N. COSGROVE

The president of a leading multiple line insurance company recently became quite frustrated when he, his financial vice-president and his public relations man were laboring over the annual report. He had an uncontrollable desire to bare his soul to the stockholders, but realizing this would not seem fitting in the published document he decided to write a private version of the report for his own satisfaction. He did so and placed it

in his safe with instructions: "Not To Be Read Until My Company Shows An Underwriting Profit." Since present readers may not see this development, life expectancy being what it is, he was prevailed upon to release some of the highlights of his "unghosted" version. They follow:

TO OUR STOCKHOLDERS: For the second straight year I am tempted to end it all. When I recall that I once had an opportunity to work in a munitions depot I wonder what possessed me to

choose this business instead. Somebody said it offered more security than working with live ammunition and I believed it. I was also told I could advance to the top—and it was just my luck to make it.

We lost our shirts again this year—\$12 million to be exact—from what is jocularly known as underwriting. One-half the population of this country must be busy serving on juries, giving our money away, and the rest are fire-bugs—with the possible exception of my wife and the pastor of our church. Our assets and surplus look like busted water mains, and you know how hard it is to find a plumber.

We did make some money on investments, and when we put everything together we only lost 13 cents a share—after adjustments, including several the chiropractor made on our comptroller whose head was caught in the electronic computer.

Hires Public Relation Man

It's hard to tell a sad story like last year's results, and so we had the foresight to hire a public relations man. It took us 20 minutes to explain our business to him, and then he was ready to tell us how to run it. He advised us that word of mouth communication was most effective and that every employee, including myself, should tell our problems to all our friends. I told both of mine. One suggested I take a long cruise and the other took his policies away from us and became a self-insurer. Both had their lockers moved from my section at the golf club.

Since I got nowhere with my friends I thought I'd enlighten some of the folks on the commuting train. I had a pleasant chat with one lady who looked understanding, but after I had finished she said: "You seem to be a nice person and I have my shopping money with me, so if you need enough for lunch and to get around town today, why you're welcome to it." She was happy to hear I could get along for a while.

Public Relations Man Leaves

Incidentally, our public relations man left recently. He wanted some less exciting assignment and lined one up as adviser to the president of a Central American republic.

As I stare into the fog of the future I can't see anything even vaguely hopeful . . . so I have stopped staring. Instead I haul out our annual reports from five or six years ago and look at those appetizing pie charts. We were really getting a slice then.

Our "Grand Old Man," Titus Flint, chairman of the board, retired during the year after what seemed like an eternity with the company. Somebody told me he will be missed.

Disappear Into Committee

My probable successor (and he can hardly wait), J. T. Brightstar, was named executive vice-president in 1957. I think he could be a big help to me, but he and seven other officers disappeared into a committee meeting last August. I had Xmas cards from most of them. I did see one of our assistant treasurers on John street, during the holidays, and he waved to me.

Our expense control committee has

LIFE WITH PROVIDENT

THE 32 TOP MEN

During 1957 Provident's 32 leading ordinary life producers made a record which speaks for itself:

- Paid for more than \$32,000,000.
- Averaged 92 cases per man.
- With an average size policy of \$10,884.

The number of cases per man is one of the significant records. We're proud of these men and all the other fine producers who helped to make 1957 an outstanding production year.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga - Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

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been hard at work for four years and has brought in several recommendations: Dispense with 25-year service pins; cut our advertising, since the agents will find us anyway, and let the field men off at 11:30 every morning so they can have lunch at home—or, better yet, at an agent's house.

Our underwriting committee suggested we enter the canine insurance field where you can still make a buck because there's no moral risk or claim consciousness.

I don't know what we would have done in 1957 without our loyal staff of employees. They are constantly interrupting their coffee breaks for such emergencies as keeping up with loss reports and getting the day's work out no later than three months behind schedule.

Our directors have been a big help too. When things were going well with us I thought they were a pretty dumb crew, but they seem to be getting smarter as the ink gets redder.

As for our agents, I don't believe there has ever been a body of men like them.

Troubles Come In Packages, Too

Last year we told you about the package policies we had wrapped up for the public's protection. We said then that returns on these would be terrific—and they are. We're getting troubles in packages now, not singly, as in the old days.

Our investment officers seem pretty happy. They had a fair year although they couldn't quite bail us out. But they don't seem to resent my coming in every day, and we still go to lunch together occasionally.

If you're still interested, you'll find all the balance sheets on pages 36-44 of this report. They have been audited by the independent firm of Cautious & Upright, who tell us that these figures represent what actually happened around here last year.

We will be happy to hear from you as in the past, but this year instead of asking questions, couldn't you please arrange to come in with some answers? After all, it is your money.

Regretfully submitted,
Your President

Robert W. Tootell of Trenton has won "man of the month" honors by leading the entire field force of Midland Mutual Life.

Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

Cartwright, Vallean & Co.

Members Midwest Stock Exchange

Board of Trade Building

Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.

San Antonio A&H Assn. Hears Wallace

San Antonio Assn. of A&H Underwriters held its ladies night, March 31, with Travis T. Wallace, president Great American Reserve, as speaker. He was presented to the group of approximately 100 by S. E. McCreless, president American Hospital & Life, who paid tribute to the services Mr. Wallace has given in the A&H field.

Mr. Wallace stated that in the 40s insurance as a private enterprise met a challenge and while it had 19 million insured in 1942 for A&H, by 1957 this number had reached 123 million mark. He added that growth in A&H has been fantastic and that life insurance had required 70 years to cover 70 million people.

Mr. Wallace emphasized that not only are more people insured by the companies writing A&H, but that the protection provided has been improved in quality. Also, in the early period of A&H benefits were allocated, but at present there is no allocation of amounts provided.

He said health insurance companies are now paying 70% to 80% of the hospitalization costs to insureds, mentioning that there are now 700 companies writing A&H and 400 writing group health. As to claim settlement, he said it is now more liberalized and not more than one policy in one thousand is cancelled.

With all the progress made by private insurance companies there must be no let down, however, in efforts to provide coverage for all who need it, he emphasized.

Continental Assurance Sets 1st Quarter Record

New Individual life insurance written by Continental Assurance in the first quarter of 1958 was the largest of any in its history, according to Robert B. Hamor, vice-president and director of agencies. The average amount of coverage on the policies written during the period also set a new high.

Business produced was \$121,114,791 in the three months ending March 31, 1958, an increase of 12% over the \$108,260,158 written in the like period last year.

The best previous quarter was the second quarter of 1957, when \$118,946,308 in new business was written. Mr. Hamor said the increased business in the first quarter was national in scope, including industrial areas where the business recession has been deepest and unemployment more pronounced than for the country as a whole.

Gains in new individual life written in the period were recorded over the like 1957 quarter in such areas, among others, as Buffalo, Pittsburgh, Philadelphia, Cincinnati, Cleveland, Detroit, Chicago, St. Louis, Cedar Rapids, Denver, Los Angeles and San Francisco.

Mr. Hamor said also that Continental Assurance's experience in the development of new business evidences continued expansion of brokers in general-lines insurance into the life insurance field.

Green Wins Guardian Cup For Best '57 Performance

Guardian Life's Holcombe T. Green agency of Atlanta took top honors in the annual competition for the president's cup. The cup, awarded each year to the agency turning in the best all-round performance during the previous calendar year, will be presented to Mr. Green and his associates at the Guardian Leaders Club meeting in Miami Beach next month.

First runner-up for 1957 was the Shale Goodman agency of Kansas City,

with the Robert Kruh agency of Newark in third place.

Under company rules, no agency can win possession of the cup more than once every four years. The Green agency also took top honors in 1953; other previous winners, who were ineligible to compete during 1957, are the Samons-Press agency and the Spaulder, Marshall & Schnur agency, both of New York, and the John C. Mills agency of Tampa.

Allstate Life has been licensed in Minnesota.



Wardwell, Connecticut Mutual Life, Peoria, Ill., immediate past president of LUTC, who presided in the absence of the president, R. N. Lewis, vice-president of Great National Life of Dallas.

Head-table dignitaries at the NALU-LUTC luncheon at the midyear meeting of NALU in Birmingham: Loran Powell, managing director of LUTC; Brice E. McEuen, vice-president of Lamar Life, the luncheon speaker, and Chester T.

CENTRAL LIFE A leader and . . .

ONE OF THE BEST

- Preferred Combination Life (PCL)
... with true graduated premium!
- Disability Income Continuance (DIC)
... revolutionary new disability income!
- Preferred Investment Plan (PIP)
... premium return and dividend profits!
- Wife Insurance Plan (WIP)
... with more protection when it's needed!
- Family Insurance Plan (FIP)
... WIP plus children 14 days to 25 years!
- Family Instalment Group (FIG)
... one monthly payment for all premiums!

All introduced by ONE OF THE BEST

Central Life

ASSURANCE COMPANY, DBS MOINES 6, IOWA
Progressive and competitive, yes, . . . but not

at the expense of financial security

ASSETS	\$155 Million
SURPLUS	\$ 13 Million
INSURANCE IN FORCE	\$500 Million

Dallas Company Names W. C. McCord Director

DALLAS—William C. McCord, former president of Southland Life and active in Detroit business enterprises for the past seven years, has been elected advisory vice-president and director of Robert E. Lee Life, Dallas. The company has also bought Peerless Life of Dallas, of which Mr. McCord was president, subject to approval by the insurance department.

Mr. McCord resigned as president of Southland Life in 1951 following

sale of his stock to the present owners. He began his career with Atlas Life, Tulsa, became an officer of Gulf States Life, Dallas, and then of Southland Life.

Jefferson National Had Record Year In 1957

Jefferson National Life had the largest growth in its history last year, President E. Kirk McKinney reported to stockholders last week. New business amounted to \$39,611,874 and there was a 48% increase in A&S sales.

President's Club Of National, Vt., Up 28%

National Life of Vermont has 155 agents qualified for its top production organization, the 1958 President's Club, a 28% increase.

The top man, Bill W. Frederick, Atlanta, automatically becomes club president.

First vice-president is Noah Andrews. The 2nd vice-president, Howard K. Holladay and the secretary, William C. Hartman Jr., are members of the Atlanta agency.

Forty-three club members, 12 more than last year, each exceeded a million dollars in paid business. The Atlanta agency led in number of qualifiers, with 30 members.

This year the President's Club will hold its annual meeting at the Broadmoor, Colorado Springs, April 27-May 1. The 1959 club conference will be held at Emerald Beach hotel at Nassau in the Bahamas.

Olson Picked To Head Chicago A&H Assn.

Jack Olson, Combined, has been elected president of Chicago A&H Assn., succeeding Frank O. Watt, Washington National, at the March meeting, the final one of the season.

Other nominating committee selections which were approved were Robert O. Wehrmeister, W. A. Alexander, Richard W. Weiler, Fred S. James & Co., and Daniel X. Marlowe, Provident L. & A., vice-presidents, and Martin R. Hauelsen, secretary-treasurer.

Has Two Luncheon Speakers

Luncheon speakers were Dale Potts, executive vice-president of Wisconsin Casualty Assn., and William Froehlich, Occidental Life of California manager at Milwaukee, who gave a joint presentation entitled "Motiv-Piston."

East Bay (Cal.) Estate Council Sets Meetings

This year's conference on estate planning, conducted by the East Bay (Oakland) Estate Council, will be held at the Claremont hotel, Berkeley, Cal., April 18 and April 25—both being all-day sessions.

Glendon Wardhaugh, president of the council, said this conference will be expanded to discuss the problems of both the personal estate and the business interest in the estate. Participants will be life agents, trust officers, attorneys and CPAs. Mr. Wardhaugh is trust officer of American Trust Co. in Oakland.

The first day the panel will discuss estate problems of a married couple having considerable wealth from the legal, tax, and business angles and developing solutions, including the use of life insurance where indicated.

Day-Long Conference

A set of facts have been developed and the presentation will be in the form of a day-long conference with "Dr. and Mrs. Smith," the clients. The "experts" for this session are David K. Gilmore, lawyer; Mr. Wardhaugh, trust officer; Richard Johnson, Lincoln National Life agent, and Robert Walker, tax attorney.

The second session will discuss problems created by death for a partnership and for the majority and minority shareholders of a close corporation, including solutions to problems of operation, separation of parties, gifts of interest, liquidation, redemption, buy-sell agreements and valuation of good will, with observations on the accounting, tax, legal, and business aspects—and the opportunities for the use of life insurance. Participants include Pat Jennings, Massachusetts Mutual agent; J. Warren Manuel, lawyer; Franklin Stark, tax attorney; Walter Frank, CPA, and William Brockwehl of First Western Bank & Trust.

Edward J. Peters, Indianapolis, formerly with Haight, Davis & Haight, consulting actuaries, has formed his own firm in that city to act as an insurance company management consultant.



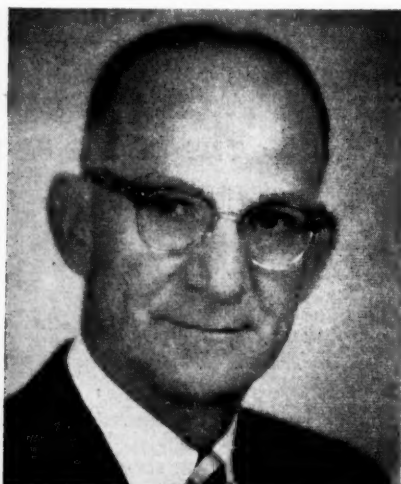
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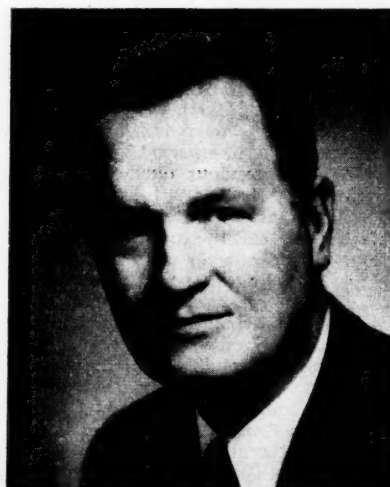
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These newly released figures from LIFE's *Study of Consumer Expenditures* reaffirm what LIFE advertisers

already know: that all across the country, people who read LIFE are the people who are receptive to selling messages...the people who actually do the better-than-average purchasing.

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Source: LIFE's *Study of Consumer Expenditures*, an analysis of \$200 billion of the \$265 billion spent by U. S. households for consumer goods and services in 1956.

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ONLY **LIFE** gives you

so much selling support . . . so swiftly, so surely

Cameron Sees Tangibles Prospering

(CONTINUED FROM PAGE 1)

are selling 'more out of life' for American families. The motivating force in the purchase of life insurance is, I think, the desire to assure continuance of a way of life. Our best prospects are people who can afford a car, a television set, an air conditioner or other comforts they want. At the immediate time of the sale, these tangibles may look like our real competitors but actually they and life insurance go hand in hand. That means that people find a way to provide both for present and for future wants.

"That is quite an order but it is the way Americans have always operated. We don't accept the idea that there is a given size pie to be divided up, and if one person, one group, one objective, gets a big slice the others get small ones. We set our goals and then go ahead and make a pie big enough to satisfy them.

Willingness Determines Recovery

"Right now, I submit, is the time for all of us to be urging this concept with all the force at our command. The speed of recovery from the economic reaction to the excesses of the past few years, which we are now going through, may well be determined by the willingness of those whose income is reasonably assured to make commitments both for the things they want now and for savings to assure their future wants. Without deprecating in any way the steps which government may take, government action alone will not create long-range prosperity.

"Salesmen in all lines of business must sell hard. Those in sales promotion and advertising must give them every backing. The better the job is done, the sooner the economic readjustment will be completed.

"This change from boom psychology to one of doubt and question is one of those sudden changes which is a real

challenge to communications.

"I spoke about the changes in advertising and sales promotion brought on by emphasis on policies and prices, but what about the public relations aspects of the newer pricing approaches themselves—the 'cheaper by the dozen' approach. May I suggest again that freedom of individual companies to experiment in a competitive market will, here too, be good.

"If by virtue of its pricing policy, a company increases its total insurance in force sufficiently to reduce its unit overhead costs for all policyholders, large and small, I submit the policy is in the public interest. If by such a pricing arrangement, people reach up to higher levels of protection, I submit it is clearly in the public interest. It is only if the pricing policy results in reducing costs for holders of large policies at the expense of the holders of small policies that there will be question of public interest to be resolved. As long as the more recent concepts are permissible and not mandatory, the public itself will determine what is in its interest."

Return To Service

Mr. Cameron said one result of these changes might even be a return to emphasis on service itself rather than net cost. So many complications may enter into the preparation of net cost illustrations under the new systems that accountants will acknowledge what a rough measure of costs is given by a comparison of results which assume dividend scales and dividend distribution methods will continue unchanged for 20 years. The price must be right but it may well be that buyers will realize that a service is measured qualitatively, and, within reason, not quantitatively. So it may be the fundamental service of the representative in the field, the policy provisions, home office service, even

new ways of premium billing, policy packaging, and other little things that count, which will be the competitive features of the immediate future. Everybody will have to be alert to sense whatever change develops.

"There are so many of these sudden shifts to which we must be alert we can't cover them in these few minutes," said Mr. Cameron. "For example, are we prepared for a shift back to life insurance as savings, away from term, reducing term, and term on term? It may well come. People may be in the mood to turn to that which is reliable. And that is desperately needed as we face the future.

Commitment Of Savings

"The years just past have seen project piled on project based on bank credit dependent on commitment of future savings. As we go ahead, we must provide real savings rather than bank credit as the source of funds for long-term growth. And the life insurance business is in the best position of any savings group to sell the public the advantage of long term savings.

"So I could go on, talking about the impact of group insurance, casualty companies in the life insurance field, disability income replacement and medical expense reimbursement insurance, and other fields in which change is kaleidoscopic."

Of "hard sell" he said: "The industry can indeed take great satisfaction that it has arrived at the point where there is such widespread acceptance of life insurance, that we can stress specifics of company, policies, and prices, knowing that the reader accepts the fact that whatever is advertised will help him provide the assurance of the fuller life which he so earnestly wants for himself and his family."

Besides Mr. Cameron, speakers from outside the Assn. included William D. Davidson, associate manager, Equitable Society, Chicago, chairman of the 1958 million dollar round table; Joseph E. Boettner, president of Phila-

All American L.&C. Has Increase In 1957

E. E. Ballard, president All American Life & Casualty, at the stockholders' annual meeting, reported the company had continued rapid growth in 1957. Writing life less than two years, All American ended the year with \$63,325,215 face amount, an increase of 709% over the previous year. This includes \$25,761,083 of reinsurance assumed. In addition to life, the company received approximately \$3 million in A&S premiums. Net annualized A&S premiums written during 1957 showed a 15% increase over the previous year. Assets were increased by a \$2,242,772.

A goal of \$117 million combined value has been set for 1958. This is based on the formula that \$30 of A&S premium is equivalent to \$1,000 of life insurance.

delphia Life; Robert F. Hills, manager of editorial promotion, *Saturday Evening Post*; and Alfred J. Seaman, executive vice-president and creative director, Compton advertising agency, New York.

The meeting opened with F. L. Cooper, New York Life, program chairman, presiding. Goldie Dietel, Equitable Society, chairman of the eastern round table, welcomed the group. Following Mr. Boettner's talk, there was a recruiting panel moderated by Charles E. Ferree Jr., Berkshire Life, panelists being Robert A. Adams, Provident Mutual, Orval A. Hosch, Phoenix Mutual; Irene Morgan, National Life of Vermont; and Lawrence W. Stratner Jr., Berkshire Life.

A panel on helping the new agent get established had John A. Buckley, Guardian Life, as moderator. Panelists were Vincent B. Bray, Metropolitan Life; Douglas W. Johnson, Mutual Benefit Life; Frederick G. Kimball, New York Life; and William H. MacKenzie, Mutual of New York.

At the luncheon there was an address by Morgan Crockford, Excelsior Life, president of LAA.

In the afternoon, with Douglas J. Alspaugh, Aetna Life, presiding, there were talks by Mr. Hills on "The Power Of The Printed Word," by Mr. Davidson on "A Million Dollar Producer Looks At LAA Services," and by Mr. Seaman on "How To Get Action From Advertising."

The second day panel on policyholder relations had Clifford B. Reeves, Mutual Of New York, as moderator, panelists being Herbert J. Kramer, Travelers; John Lobingier, LIAMA; Robert MacGregor, Phoenix Mutual; and Dudley Martin, Institute Of Life Insurance.

The Gotham and Keystone groups of the LAA put on a panel, "New Ideas, New Challenges," with William C. Heimbarg, New York Life, as moderator, and Philip Bentz, Philadelphia Life, as co-moderator. Panelists were Charles R. Corcoran, Equitable Society; Paul Duling, Postal Life; Gordon Hull, Mutual Benefit Life; and Donald L. Hopkins, Life Of North America.

Mr. Cameron's talk was the final event of the session.

OWN YOUR OWN AGENCY



LOOK, Cinderella!

we're no fairy godmother, but...

we think we've got something that will help you turn your present "pumpkin" into a "golden coach." Look at these facts:

1. We've got the top agency building contract for the man who wants to build an agency of his own.
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3. A very complete Rate Book, with all the latest types of plans, designed to meet every situation.

We have several excellent territories still available in the United States and Canada.

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Cut Indiana Blue Cross Benefits As Substitute For A Rate Increase

A 25% reduction in benefits for individual policyholders of Mutual Hospital of Indiana (Blue Cross) was announced last week. Permission for a reduction in benefits in lieu of an increase in rates was granted Blue Cross as a compromise settlement for a rate increase requested after the first of the year.

Benefits on group policies will not be cut, but rates will be calculated on a basis of experience rating instead of

statewide, as formerly. The benefit reduction on individual policyholders and experience rating on groups are designed to eliminate a \$2 million net loss in 1957.

State Mutual Now Offering Family Major Medical Plan

State Mutual Life is now offering a family major medical policy covering expenses up to \$7,500 for each qualified family member. There is a \$500 deductible. A family with a father age 37, mother age 35 and any number of

children would pay about \$2 a week. There is a 20% co-insurance clause above the deductible.

Other highlights of the policy are guaranteed continuance to age 65; benefit period is two years or until end of hospitalization if longer; issued to adults 18 to 60; no additional cost on additional children after first child, new born children automatically covered; 90 days allowed to incur eligible medical expenses equal to deductible; normally no medical examination required; policy becomes incontestable in two years; 31-day grace period; policy participates in company dividends.

Beal Addresses N. Y. City Supervisors Association On Executive Selling

NEW YORK—Orville E. Beal, executive vice-president of Prudential, addressed the New York City Life Supervisors Assn. on the importance of the selling process even for those in executive positions.



Orville E. Beal

Mr. Beal pointed out that executives are constantly engaged in selling of one kind or another and their ability in selling gains them prestige with those they supervise.

Edward Curtain of the Henderson-Eubank agency of Prudential, association president, conducted the meeting.

A&S Underwriters Hear M. D. On Gastro-Intestinal Woes

Problems encountered in x-ray diagnosis of gastro-intestinal disorders were discussed by Dr. Bert Levin, chief radiologist of Michael Reese hospital, Chicago, at the March meeting of Illinois A&S Underwriters Forum, held at the hospital.

X-ray pictures alone cannot be relied upon completely for diagnosis in this area, because movement—or lack of it—is often very important, Dr. Levin pointed out. The organs of the gastro-intestinal tract are normally in movement during the digestive process. For this reason, fluoroscopic examination must be used in conjunction with x-ray.

Two important factors for successful diagnosis are accurate knowledge of the normal formation and functions of the various organs and complete absence of food or waste materials in the system. An abnormal shape is often the only sign of disease, while food particles or waste material in the tract could obscure any abnormalities.

Examining this area by x-ray is more difficult than the respiratory tract, which Dr. Levin described to the group at a similar meeting last year, because it is necessary to use an artificial contrast agent instead of the air which is normally present in the lungs. The most efficient agent is a barium solution.

He walks in confidence

Confidence bred of knowledge — full knowledge of the complete service he can provide.

A John Hancock agent knows he has a full kit of policies — Family policies, Business life insurance coverages, Personal Health insurance, Annuities, as well as a wide variety of up-to-date Group plans and all regular forms of individual Life policies.

He is thoroughly trained in presenting the most effective type and the proper amount for the individual needs of his clients.

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

*The Unity Mutual
Life Insurance Company
of New York*

*Insures
The Whole Family*

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE—SYRACUSE, N. Y.

April 12, 1958



CANCER 1958

what is the outlook?

While cancer is still one of our nation's greatest health problems, several recent developments are encouraging.

- The mortality rate from cancer among women has been declining. The total decrease is substantial in degree—no less than 15% in the last ten years alone among several million women ages 25 to 74.

- The proportion of cancer patients surviving 5 years or more after diagnosis has measurably increased. This improvement is recorded for most major sites of cancer and is especially large for certain cancers among women and for cancers of the digestive system.

Such facts indicate that still greater gains are possible. In this connection, the American Cancer Society states:

"One half of all cases of cancer could be saved with present knowledge if individuals would seek medical attention early enough, and if the latest and best means of diagnosis and treatment can be made more generally available."

So, pending a major break-through against this disease, you are the first line of defense against cancer. And here are the things you should do to make your defense as strong as possible:

1. **Know cancer's seven warning signals.** Should one of these signals appear, no time should be lost in seeing your doctor. In the vast majority of cases, a danger signal turns out, upon examination, to be a symptom of some other condition.
2. **Have regular health examinations.** According to the American Cancer Society, in 99 out of every 100 people examined,

Cancer's Seven Warning Signals

1. Any sore that does not heal.
2. A lump or thickening in the breast or elsewhere.
3. Unusual bleeding or discharge.
4. Any change in a wart or mole.
5. Persistent indigestion or difficulty in swallowing.
6. Persistent hoarseness or cough.
7. Any change in normal bowel habits.

no cancer is found. People who seek examination are relieved of worry if they do not have the disease. Those who have it, and are promptly treated, have a materially better chance of cure.

Remember, many cancers occur in parts of the body which a general practitioner can readily examine. Should you notice changes in normal body functions between examinations, have another check-up.

3. **Avoid any treatment except your doctor's.** Cancer is cured only by skilled physicians using surgery, X-ray, radium and other forms of radiation. In many forms of cancer, the majority of cases can be saved when diagnosed early and properly treated.

Current research on the causes of cancer, its prevention and treatment gives even greater hope for the future. But it is still important for you to be alert to cancer's danger signals and get prompt treatment should one of them occur.

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**The R & R
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THE INSURANCE RESEARCH & REVIEW SERVICE

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INDIANAPOLIS

MDRT Chairman Tells How LAA Can Help With Big Producer's Special Problems

NEW YORK—Ways in which home office advertising and sales promotion departments can help with the special problems that confront the big producer of life insurance were suggested by William D. Davidson, associate manager of Equitable Society at Chicago and chairman of the 1958 Million Dollar Round Table, at the Eastern Round Table conference of Life Advertisers Assn. here.

While some million dollar producers have an average size case of \$100,000 or more and others write 500 to 600 cases a year on a particular package, most MDRT members fall between these two extremes but all have the common characteristic of a strong desire to do a better than average job—to be looked upon by their clients and the people in the community as substantial business men who approach their work with a professional attitude, said Mr. Davidson.

Lists Principal Problems

In addition, the typical million dollar writer, though busier than the average agent, spends a good deal of time in outside activities that usually benefit the community in some manner. Among the principal problems this man faces Mr. Davidson listed the following:

1. **Prospecting.** He has usually done a good job in attempting to solve this problem but it is a continuing one. Even though he may have a very large clientele it is still necessary for him to continue to look for new people.

2. **Maintaining a clientele.** The type of business man that the substantial producer deals with is continually exposed to other good life insurance men. This is particularly true in large urban areas. This means providing a continuously good service to his clients, keeping in constant touch with them—all of which means maintaining a well organized staff and office to handle the multitude of details necessary.

3. **Selling.** While these people are assumed to be good salesmen it is necessary that they continually examine their procedures to keep current with changing economic and market conditions. Picking up a new sales idea is always a shot in the arm.

4. **Education.** The tremendous expansion in uses of life insurance for corporations and to help solve tax problems creates a real challenge to keep up to date. This means a good deal of reading, attending meetings, classes, etc.

Competition Is Problem

5. **Competition outside the business.** Because most substantial producers are dealing with the corporate and tax dollar accountant and trust man, maintaining a good working relationship with these people is obviously important. In addition, it is a continuing problem to keep people aware of the place where the life insurance man's services and the services of his company are essential, as contrasted to those of the attorney, trust company and accountant. Many times this competition from without can be greater than that from within.

6. **Prestige.** Certainly dealing with

substantial business and professional men requires maintaining prestige at a high level. One important by-product of this, which ties in with prospecting to some extent, is the recognition by other producers of this individual's abilities and their desire to employ them in joint cases.

Suggesting how LAA services can help solve some of these problems, Mr. Davidson said, "Here is where I am apt to stick my neck out but here goes:

"**Advertising.** Nationally, this is fine from an institutional standpoint and possible for the average producer. However, I believe it has little direct benefit to the substantial guy. There must be a means of conducting this on a local level that would be of some direct benefit to the agent.

"**Sales promotion.** It is my experience that these materials are of principal value to the newer and average producer. I know of few substantial men who use company promotional pieces.

"**Publications.** These are obviously helpful in keeping individuals informed on changes in company policy, what is happening around the country, etc.

"**General public relations efforts.** These are confined almost entirely to (CONTINUED ON PAGE 17)

Mutual Trust Life Moves To New Chicago Home

Mutual Trust Life of Chicago has completed moving its offices to a new home office building on Wacker Drive and Monroe street in downtown Chicago. The new building has steel curtain walls of enameled porcelain in two shades of blue. At present Mutual Trust will occupy four of the six floors, and will add more space later as the company's expansion demands it. The building is designed for addition of another six stories and a twelve story addition north of the present building.

United L. & A. Offers Family Policy Benefit

United Life & Accident has brought out a family rider covering mother and children which may be added to most of its basic life policies. It is sold in units, with each unit having decreasing term on the mother and level term on each child. The mother's benefit is \$5,000 per unit at age 19 and under, and decreases to 1,000 per unit at age 59. Insurance expires at her age 60. Conversion without evidence of insurability is available to the mother.

Each child insured has \$1,000 level term to age 22 or prior expiry date of the mother's insurance. Children born while the benefit is in force have full coverage automatically at no increase in premium from age 15 days. Insurance on children is convertible without evidence of insurability to five times the benefit amount, when their insurance expires. If the mother dies the insurance on the children is paid up and the premium reduces to the rate for the basic policy only. In the event of the father's death, insurance on both mother and children is paid up. A uniform premium of \$25 per unit is charged irrespective of age of husband, age of wife, or the number of children involved. However, the husband must not be more than 10 years older than the wife and the wife must be age 40 or less at issue.

Shanks Tells Chicago Executives

Government Should Spend Quickly Now. Cut Taxes But Shift Fast As Inflation Returns

In another 12 months inflation will again be a major problem, President Carrol M. Shanks of Prudential predicted at a recent luncheon meeting of the Executives' Club of Chicago.

Mr. Shanks said the federal government should help reverse the present recession by quickly stepping up short-term expenditures but should not get involved in long-term commitments that would add to later inflationary troubles. He also recommended a cut in corporate and individual income taxes but said the spending should be curtailed and the taxes should be restored once the economy had been brought back to normal.

"If government fiscal policy is to be a truly stabilizing force and not simply a one-way street to inflation, Mr. Shanks said, "the government must be just as prompt in cutting back its expenditures during boom times as it is in increasing them during recession. Ideally, the government thus would become a balance sheet, smoothing out the inflationary surges and the deflationary dips and permitting business activity to move forward more steadily and more smoothly than would otherwise be possible."

Proper government fiscal policy can have a stabilizing effect on the economy, he said, and some aspects of government finance have an automatic effect in this direction. The "built-in stabilizers" tend to maintain private incomes during a business downturn and curb spending during a boom.

But the built-in stabilizers cannot do the whole job and, at times, private spending and private output have fallen well below the maximum capacity of the economy, Mr. Shanks said. At this time tax reduction or increased federal purchases can take up the slack in business activity.

Mr. Shanks said the ideal situation he mentioned, where government acts as a balance, does not always exist. Then he compared federal monetary and fiscal policies since the end of World War II as equally powerful in affecting economic stability.

The record of monetary policy is a mixed one, he said, but major changes in federal government spending in the post-war period have been "almost invariably an unstabilizing, rather than a stabilizing, influence."

He described the period from the end of the war to 1951 as one of "domination by the Treasury." The Federal Reserve "was more concerned with supporting the price of government securities than with stabilizing the economy, . . . and permitted its open market operations to become an engine of inflation."

Monetary policy since 1951, however, has been "remarkably good," Mr. Shanks said, with the application of restraint to curb inflationary booms and the easing of money and capital markets to assist recovery from business downturns.

He criticized government fiscal policies which were applied in each of the three post-war recessions.

Federal government orders were

cut back "just when they were needed most" in 1948 and fiscal policy may have prolonged the 1949 recession, he said.

In the 1953-54 recession, he said, the tax cut of about \$4 billion did stimulate consumer spending, but "did not go very far toward offsetting the \$15 billion reduction in government buying."

The government, by an increase in the rate of its expenditures of more than \$4 billion, intensified inflationary pressures in 1956 and the first half of 1957 when the economy was booming, he said. Then, as business began to turn down in the third quarter of 1957, a severe cutback was imposed on government orders and expenditures.

"Government fiscal policy in the whole post-war period has been characterized by almost unbelievably poor

(CONTINUED ON PAGE 31)

Hancock Announces Two Select Ordinary Policies At Meeting

Two new policy contracts in the select ordinary class were announced by President Byron K. Elliott of John Hancock at the annual president's club meeting at Quebec City for the district agencies organization.

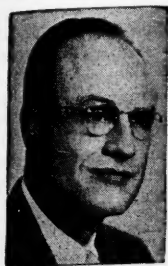
One is called the "family policy—one parent," and offers in one package insurance for the whole of life on the insured and term insurance to age 25 for each child. The insured under this policy may be anyone desiring its features and meeting the company's underwrit-

ing rules, as contrasted to the family policy, where the insured is always the husband. Normally, the policy will have its greatest appeal in situations where the insured is widowed or divorced, or where the insured's spouse is uninsurable.

Coverage of the insured is provided on the life paid-up at age 85 plan, the annual premium for the first three years being 85% of that payable thereafter. After the death of the insured, no further premiums are payable. Minimum insurance amounts offered are \$5,000 on the insured's life and \$1,000 on each "covered child." The definition of "covered child" in the new policy is broader than the corresponding definition of the company's present series of family policies, and the policy may be supplemented by additional term coverages on the insured.

The other policy is a 5-year renewable term policy. The policy provides term insurance for an initial period of five years and may be renewed without evidence of insurability for successive 5-year periods, with a final

(CONTINUED ON PAGE 28)



Carrol M. Shanks



Byron K. Elliott

BUSINESS IS GOOD



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

Moves Home

Chicago has moved to a new home on the corner of Madison and Dearborn streets. The new home is a 12-story building, and the old home is being demolished.

Chicago has moved to a new home on the corner of Madison and Dearborn streets. The new home is a 12-story building, and the old home is being demolished.

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Mutual Trust Reduces Occupational Ratings

Mutual Trust Life of Chicago has reduced ratings for occupations, and will now underwrite at standard rates more than one-third of all occupations previously requiring an extra premium.

Almost all extras of less than \$3 have been eliminated and other occupational ratings have been generally reduced. On occupations standard for life, ratings for waiver of premium

disability and double indemnity benefits are no longer shown, these benefits being granted at regular rates except in cases of extreme accident or disability hazard.

Among the more important job and industry classifications affected by these changes are railroad workers, all of whom will be considered for standard insurance, as will all policemen and law enforcement officials. Most members of the following occupational groups will now be accepted standard: Electrical industry employees, marine risks, workers in metal trades

and industries, workers in the oil and natural gas industries and chemical industry workers. Many explosives industry employees will also be considered standard risks.

Nationwide Gets Publishers Case

Pennsylvania Newspaper Publishers Assn. has named Nationwide Life insurer of its group life program. The association has 450 member newspapers with some 3,000 persons eligible for coverage. Insurance will be offered to publishers and key executives in amounts ranging from \$5,000 to \$40,000.

Springfield Files For Million More Shares

Springfield F. & M. has filed a registration statement with Securities & Exchange Commission covering 1 million shares of its common stock, par value \$2. The company proposes to offer these shares in exchange for shares of the capital stock of Monarch Life at the rate of 1 1/4 shares of Springfield for each share of Monarch.

First Boston Corp. and Kidder, Peabody & Co., as dealer managers, have agreed to use their best efforts to form and manage a group of soliciting dealers, including themselves, to solicit tenders of Monarch stock.

Midland Mutual Life Puts Out New A&S Plans

Midland Mutual Life has introduced two new A&S plans—a major medical expense and a hospital and surgical expense policy. Both are guaranteed renewable, major medical to 65, the hospital & surgical expense for life. For both contracts, once the policy has been issued, the company cannot add any restrictive rider or reduce benefits. Premium rates can be modified only on a class basis. The plans may be issued to families or individuals, and both are participating.

The major medical expense plan pays 75% of all covered medical expenses above a deductible amount of \$500, maximum \$7,500. The benefit period begins when expenses exceeding \$500 are incurred within any 90 consecutive days. The policy covers expenses incurred both in and out of the hospital. No specific limits are set on hospital or surgical expense, such as room rates or board or operation fees. Ages of issue are 17 1/2 to 60 for adults and 31 days to 17 1/2 years for unmarried dependent children. Only one premium is charged for children, regardless of number, when the policy is issued on a family basis.

The hospital and surgical expense policy may be issued with a \$50 deductible amount or on a "first-dollar" basis. In either case, a selection of five daily hospital benefits is available—\$5 to \$15—as well as the choice of a \$200 or \$300 surgical schedule. Under the \$50 deductible plan, an amount up to 25 times the daily benefit is payable for hospital service "extras;" under the first-dollar plan, up to 10 times. Ages of issue for the basic policy are 18 to 60 for adults and 31 days to 18 years for unmarried dependent children. Newborn children are automatically covered without additional premium charge.

Union Central Holds Annuals In Florida

Union Central Life held two major annual conventions recently in Florida, the President's Club and the \$500,000 Club meetings.

At the President's Club, John A. Lloyd, Union Central president, presented the company annual report; Harold P. Winter, executive vice-president, discussed the sales program; and Charles W. Sawyer, a director, former Secretary of Commerce and former Ambassador to Belgium, was guest speaker.

At the \$500,000 Club, the largest in the company's history, Arthur A. Eberstein of the Los Angeles agency, club president, presented the Jerome Clark award to John G. Edmundson, Los Angeles manager, for his progress in agency management in 1957. Mr. Lloyd presented service awards to members of the field force for 20, 30, and 40 years of service. Topics at the club conferences were business insurance, simple programming, sales interview and group and pension selling.

NO ARMCHAIR GENERALS HERE!

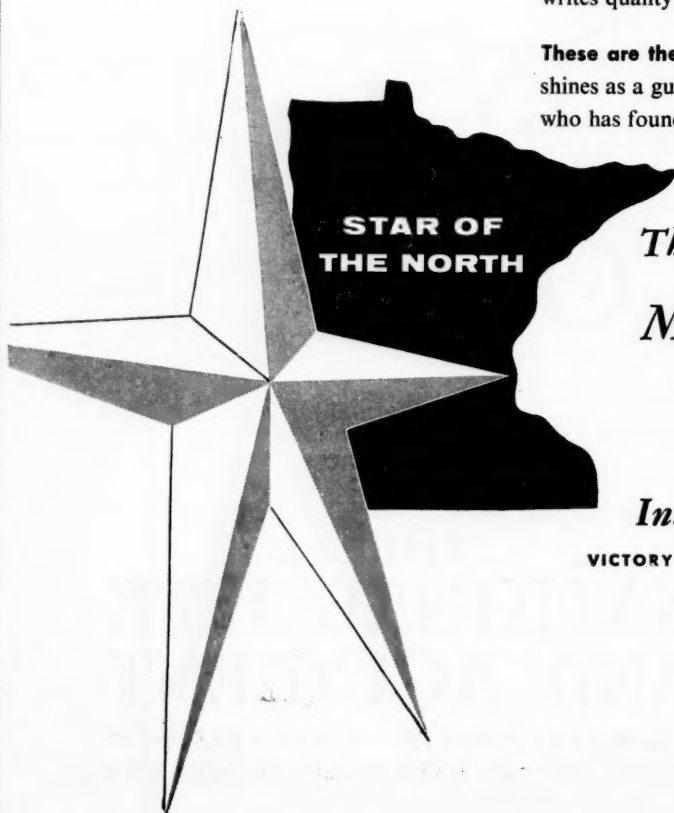
Armchair generals are conspicuous by their absence among Home Office people at Minnesota Mutual Life! You'll find Minnesota Mutual men in the Field . . . giving shirt sleeve, down-to-earth help *in front of prospects* . . . demonstrating how to get results with sales tools that have no peers in the industry.

The "Star of the North" is the fastest growing mutual company because it has developed the plans and the tools to put a new man into production *fast* . . . keep a good man growing year after year . . . and move the best men into the unlimited frontiers of Advanced Underwriting.

Typical presentations are Minnesota Mutual's Success Bond Story, Mortgage Cancellation Plan and unique Business Insurance Proposal. Each is "triggered" by visual sales aids that *really work!*

Behind all this lies a higher-pay incentive contract incorporating an unusual combination of persistency fees. It guarantees greater return to the man who writes quality business.

These are the reasons why the "Star of the North" shines as a guiding light to many a career underwriter who has found his place in the sun with . . .



The Agent-Minded
**MINNESOTA
MUTUAL
LIFE**

Insurance Company

VICTORY SQUARE—ST. PAUL, MINNESOTA

Chicago Life Agents Warned On Estate Care

A special warning to life agents was voiced recently at a meeting of agents, trust officers and attorneys held by Chicago CLU chapter. Henry Blumberg of the Chicago law firm of Blumberg & Smith spoke of the pitfalls in planning the life agent's estate. He commended the agents for their role in calling the attention of the public to estate problems, but while this member of the estate planning team is busy planning estates of his clients, who is planning his estate? the speaker queried.

Mr. Blumberg said the tax treatment of the agent's renewal commission accounts has made it necessary that special and meticulously careful handling must be given to planning his estate. There is more danger, he declared, of bad estate planning among this group of estate planners than in any other group which he and other attorneys advise, because of no planning; self planning and rubber stamp planning by attorneys and trust officers. That is unless recognition of the peculiar needs of the life agent's estate is made in the will. As much as any other group, life agents need the service of the attorney, trust officer, life agent estate planning team Mr. Blumberg said.

Intelligent Will Essential

He continued, "Although many insurance companies are making available to their agents helpful estate planning tools, such as the spread-out of commissions and right to designate death beneficiaries on the renewal accounts, the most important vehicle for properly handling the renewal commissions after death is through an intelligently constructed will. This must not be drawn blindly in accordance with commonly accepted forms so that renewal commissions might erroneously be made subject to the marital deduction, but should be drafted to effect the maximum annual income tax savings available after death to the agent's widow and children, who will ultimately be the beneficiaries of the renewals which are usually the agent's most important asset.

"The prime objective in planning the life agent's estate should be to arrive at a plan that will assure a continued adequate income after his death for his beneficiaries out of his renewal account, his individual life insurance, his anticipated social security, any interest he may have in a pension plan, and any other assets owned by him and his wife. Mistakes in failure to integrate properly a sound election of spread-out, beneficiary designation and election of settlements under life insurance can be very costly.

Slight Mistakes Dangerous

"More important, slight mistakes in the drafting of the agent's will could result in an unnecessary substantial increase in the amount of federal estate and income taxes. Who is worse shod than the shoemaker's wife? We hope it is not the life agent's wife and children. If the life agent's wife goes barefoot, it may be due to the fact that the will of the life agent must be framed to cover highly technical problems which are vastly different from those of his average clients. Under the tax laws, the life agent's wife must have golden slippers instead of ordinary shoes."

Harry Schultz, Mutual of New York and president of Chicago Life Insurance & Trust Council, and a past president of Chicago CLU chapter, announced that Mr. Blumberg had just completed arrangements for preparing a manual of planning estates of life agents, to be published this spring by Insurance R. & R. Service.

People's Protective Life of Jackson, Tenn., has brought out a dental expense policy designed for those with annual incomes of \$5,000 and less. There is a deductible of \$2.50 per dental visit. The policy is designed to pay about 80% of the average dental cost over and above the deductible.

Lau Is Mass. Mutual 'Man Of The Year'

Donald F. Lau of the Howland agency of Massachusetts Mutual at Detroit has been named the company's "man of the year" for 1958. The award is for excellence of service to clients, to his agency, to the company, to the life insurance business and to his community. Mr. Lau insured 188½ lives in 1957, leading the company in lives. He has placed \$1 million or more with Massachusetts Mutual in each of the

last seven years and is a life and qualifying member of the Million Dollar Round Table.

Mr. Lau's policyholders have more than \$13½ million of life insurance with Massachusetts Mutual. He is a past president of the Detroit CLU, a director and the membership chairman of Detroit Assn. of Life Underwriters, and is vice-president and a former secretary and treasurer of Detroit Life Insurance & Trust Council. He is active in the YMCA, the Boy Scouts, and other civic endeavors.

How Pacific Mutual does more for its Agency Managers

with a Field Tested

"Training for Success"

CAREER DEVELOPMENT PROGRAM



MODERN SALES AND TRAINING TOOLS

Highlights of Pacific Mutual's "Training for Success" Program are the Audio-Visual Training and Sales Tools featuring:

- Automatic sound-slide training films •
- Dynamic sales films in full color •
- A lightweight portable projector •
- (used in prospect's home or office)



Many months of research and field testing went into the "Training for Success" Career Development Program. The objectives were:

1. A basic, easy-to-sell package—"Planned Income Property"—designed to assure substantial early production for the new Agent.
2. A continuous training program that makes a natural transition into programming and advanced underwriting.

A companion program is the "Selection for Success" Agency building program.

...a Company that looks to the future!

Pacific Mutual
Life Insurance Company

HOME OFFICE: Los Angeles, California

1863

Life Of Va. Plaque Goes To Korelitz Agency At Wayne

Life of Virginia's Wayne, Mich., district office, managed by Morris Korelitz, led the company's entire combination field in sales volume, regular ordinary increase and weekly premium increase during 1957. Mr. Korelitz and his associates received the company's midwestern division district development plaque awarded annually to the outstanding district established within the past five years. The award was made by Albert M. Orgain, 2nd vice-president.

**Lets
you know
when the fuel
is low!**



**CLEARLY
a gift
that builds
business!**

The new Scripto VU-LIGHTER is the perfect prestige gift for your customers and prospects. Lightweight; beautifully trimmed in chrome. Your choice of colors. So inexpensive—especially in quantities of 25 or more. **Unconditionally guaranteed!**



YOUR TRADEMARK, or a miniature of your product, will be inserted in the transparent VU-LIGHTER fuel reservoir.

Scripto
WINDGUARD
VU-LIGHTER

For name of your local distributor write:
Vulcan Company, a Division of Scripto, Inc.
Box 4996, Atlanta, Georgia.

Don't Let 'Sloganism' Blur Essential Value Of Life Insurance: A. V. Dowling

A warning against taking slogans and sales gimmicks so seriously that



Allen V. Dowling

they obscure the basic value of the life insurance product and the agent's services was voiced by Vice-president Allen V. Dowling of Franklin Life in his talk at the sales congress of the Alabama Life Underwriters Assn. that followed the recent mid-year meeting of National Assn. of Life Underwriters in Birmingham. Following is Mr. Dowling's talk:

As with many another specialized service or profession we sometimes find ourselves immersed in a private lexicon, a sort of idiom or sloganism. And this stylized terminology often obscures the central value of our product and our services. The hazard is not alone confusion for our prospects. A greater peril is the growing misguidance of our own capabilities and our own understanding of the service we supply.

It suggests to me that there is an urgent need today for members of the life insurance sales fraternity to revive and revitalize the elementary values in which our industry is the particularized instrument of the public good.

Excellent Paper Delivered

For example, there was a recent excellent paper delivered before the agency section of our industry which pointed to the danger of "increasing costs of distribution" and pleaded, in conclusion, for "containment of the costs of distribution."

The logic of "containment" is sound—at first listening. But it happens that "distribution" in our business is "selling." And "containment" means to curb or refrain. So when reduced to language of the street, the appeal was simply to hold the line in the pay-out to people who sell our product.

It is not likely that any agency officer would want to get caught seriously promoting "containment" of the pay-out to those of you who depend on income from selling. And this suggests to me that the paper was the

victim of product of professional idiom.

This is better illustrated by the paper's further warning against the rising costs of operation, the obvious target of the "containment" appeal. It must occur to all of us that if costs of operation are rising for the industry, perhaps they are rising, in some nearly proportionate ratio, for individuals within it. If your cost of operation and my cost of operation are rising, I question that we can happily tolerate a program of "containment."

My point is that amid the surge and hypnosis of stylized terminology we lose sight of simple, first principles.

The first and controlling circumstances of our business are that all value created within it is created solely by men and women who make the sales. It is curiously true that all value of the life insurance industry resides in ownership of policies. There is no value anywhere in our business until somebody, somewhere, buys a policy.

People who sell create all ownership and all value. Their success—their success—is prerequisite to the success of the industry. And it is strikingly clear that your success and your well-being must be the total first premise of conduct for the industry.

The means are simple. First, it is the major mission of our industry to achieve new and challenging methods of selling, then, to combine with superior product-appeal a compensation formula which will sustain your efforts and reward your dedication to a career of selling. These two goals of themselves constitute the entire first level of management purpose. Everything which attends management beyond that level is secondary and subordinate.

Deplors Another Slogan

Directly associated with this (may I say) "old-fashioned" idea, is another slogan which perhaps we can all deplore. We have been confronted for years by a shibboleth purporting that the industry is never on test but the salesman always is. "You are not trying the business", it goes, "the business is trying you."

Over the years perhaps the industry has drawn much comfort from the suppositions of that myth. But it is not true. It is no more true of the life insurance selling business than it

(CONTINUED ON PAGE 24)

St. Paul A&S Assn. Elects W. O. Johnson

St. Paul Assn. of A&S Underwriters has elected as 1958 officers William O. Johnson, North American L.&C., president; Hale D. O'Malley Guardian Life, vice-president; Theodore F. Allen, North American L.&C., secretary; and Robert Owen, Mutual Benefit H.&A., treasurer.

Fred Redmon, treasurer of Yakima county, Wash., has been elected a director of Old American Life of Seattle.



**group
pension
plans**
**that owners
of small corporations
can pay for
from tax savings**

Now! Continental presents a Pension Plan that lets small businesses offer their people the same benefits given employees of giant companies.

Tax savings for owners are often enough to pay the cost for providing pensions for all other employees.

No trust necessary! Almost no administration! Premiums far below cost of individual plans! Group underwriting!

Get the facts from Continental Assurance, the company that has devised master contracts to fund more different types of pension plans than any other insurance company.

Check into this plan. You will find broad use for it. Write for booklet, "An Important Consideration."



Quartet of NALU wheelhorses at the midyear meeting in Birmingham: Harry K. Gutmann, Mutual of New York, New York City, chairman of the agents committee; Quan Lun Ching, Prudential, Honolulu, chairman of the committee on relations with attorneys and a former NALU trustee; David B. Flugelman, Connecticut Mutual, New York City, past president of NALU, and Robert L. McMillon Business Men's Assurance, Abilene, Tex., NALU trustee and chairman of the disability committee.

Continental
Assurance
Company

Retirement and Special
Plans Department

310 South Michigan Avenue, Chicago, Ill.

ONE OF CONTINENTAL-NATIONAL GROUP



Tells How LAA Can Help With Special Problems

(CONTINUED FROM PAGE 12)

broad statements of company policy, publication of annual reports and things of that nature.

"When I started I qualified myself as a non-expert in this field, I am not going to tell you what to do but here are a few thoughts—for what they may be worth:

- "Organizing of special direct mail campaigns fitted to special need of big producers.

- "It may not be within province of LAA members to assist in personal service and management aspects, but if they can contribute it would be of great help.

- "More imagination in the preparation of news releases involving big producers, so that more of them are printed. They carry more prestige when printed.

- "New approaches in advertising the individual in his community through paid advertisements.

- "The use of all the LAA fields in assisting the million dollar producer in each problem area outlined before.

'Broader Job In Advertising'

"As we all know, the life insurance companies have done an increasingly broader job in advertising of all kinds in recent years. To what extent this has been helpful to the leading producers is difficult to say. However, the public has become conscious of slogans that have been developed—to use an example from my own company—the phrase 'living insurance' has a familiar ring to many people. How much this has assisted the leading producer is questionable, but it has made people familiar with the company and name, which is good.

"All life underwriters' organizations have worked hard and long to try to put life underwriting on a professional basis. Company programming and estate planning services have contributed greatly in helping the agent to do a good job for his clients and to make his whole sales procedure one of need selling rather than cost or gimmick selling. I am afraid that the current rush of new policies with the emphasis on cost and gimmicks has contributed little to this effort.

"Some companies have done certain things in their advertising that have helped to build up the agent. The Northwestern Mutual's prestige type of advertising would certainly fall into this category. A short while ago the Penn Mutual published, in a national magazine, the pictures of their leading producer. This was most valuable to these men as well as to all of their agents.

"The life insurance man can and wants to perform a really valuable service for his clients, and you can help him materially in this."

Mississippi Legislation

In Mississippi, where the introduction of new bills has been shut down, the legislation which authorizes school districts to purchase life, A&S and hospitalization coverage for employees has been signed by the governor. A services of process law covering unauthorized out of state insurers also has been signed by the governor.

The governor has signed bills which require the filing of financial statements by domestic insurers and calls for examination of them, and an increase in the examiner's fees for examination of domestic insurers and out of state insurers prior to admission.

C. Of C. Shows Interest In Insurance Problems

WASHINGTON—In a letter to insurance membership of U. S. Chamber of Commerce, A. L. Kirkpatrick, manager of its insurance department, says the recent chamber "aircade" showed "deep concern with national issues directly affecting insurance—in many questions submitted to the panels." These include, Mr. Kirkpatrick writes:

Government Trends Noted

Trends in social security, compulsory national health insurance threats both as they affect insurance and as they tend to engender compulsion in other business areas, government competition with business, hidden subsidies to government business-type enterprises, and regulation.

Convention Dates

Apr. 14-16, Life Insurance Agency Management Assn., A&S conference, Edgewater Beach hotel, Chicago.

April 16-18, National Assn. of Insurance Commissioners, Zone 2, John Marshall hotel, Richmond, Va.

April 21-22, Life Advertisers Assn., north central round table, Drake hotel, Chicago.

April 29-30, Life Advertisers Assn., western round table, Fairmont hotel, San Francisco.

April 30-May 2, LIAMA, combination companies conference, Grove Park Inn, Asheville, N. C.

May 1-2, American Life Convention, regional meeting, Fairmont hotel, San Francisco.

May 5-6, Assn. of Life Insurance Counsel, spring meeting, the Greenbrier, White Sulphur Springs, W. Va.

May 6-7, Life Advertisers Assn., southern round table, Roanoke hotel, Roanoke.

May 8-10, Home Office Life Underwriters Assn., annual, Chalfonte-Haddon Hall, Atlantic City.

May 12-14, Health Insurance Assn., annual, Drake hotel, Chicago.

May 19-20, American Life Convention, regional meeting, Muehlebach hotel, Kansas City.

May 19-23, Life Advertisers Assn., sales promotion workshop, Hotel Statler, Hartford.

May 26-28, Canadian Life Insurance Officers Assn., annual, Seignior Club, Montebello, Canada.

June 4, Fraternal Actuarial Assn., Drake hotel, Chicago.

June 5-6, Society of Actuaries, western spring meeting, Drake hotel, Chicago.

June 9-11, American Life Convention, medical section, Broadmoor hotel, Colorado Springs, Colo.

June 9-13, National Assn. of Insurance Commissioners, annual, Conrad Hilton hotel, Chicago.

June 11-14, International Assn. of A&H Underwriters, annual, Statler hotel, Los Angeles.

June 16-27, American Life Convention, life officers investment seminar, Beloit college, Beloit, Wis.

Sept. 7-12, National Assn. of Life Underwriters, annual, Statler-Hilton hotel, Dallas.

Sept. 22-24, Life Office Management Assn., annual, Chalfonte-Haddon Hall, Atlantic City, N. J.

Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind.

Sept. 22-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B.C.

Sept. 29, Fraternal Actuarial Assn., annual, Hotel Fontainebleau, Miami Beach.

Sept. 29-Oct. 1, National Fraternal Congress, annual, Hotel Fontainebleau, Miami Beach.

Oct. 2-4, Society of Actuaries, annual, Netherland Plaza hotel, Cincinnati.

Oct. 6-7, Conference of Actuaries in Public Practice, Morrison hotel, Chicago.

Oct. 6-10, American Life Convention, annual, Edgewater Beach hotel, Chicago.

Oct. 22-24, Life Advertisers Assn., annual meeting, Queen Elizabeth hotel, Montreal.

Oct. 23-25, Midwest Management Conference, French Lick, Ind.

Oct. 27-29, Health Insurance Assn., individual insurance forum, Drake hotel, Chicago.

Nov. 10-13, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.

Nov. 19-21, Institute of Home Office Underwriters, Hollywood Beach hotel, Hollywood Beach, Fla.

Dec. 8-12, National Assn. of Insurance Commissioners, midwinter, Roosevelt hotel, New Orleans.

Dec. 8-9, Assn. of Life Insurance Counsel, winter meeting, Waldorf-Astoria hotel, New York.

Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.

Dec. 10-11, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.

Cheaper... By Which Dozen?

True grading of premiums by policy size, we think, means the buyer should find it cheaper, not just for the first dozen, but for each succeeding dozen — or even for each additional \$1,000!

Occidental now announces just such a premium gradation plan, effective immediately, on most policies. This new plan grades for each \$1,000, instead of by size brackets of \$2,500, \$5,000 or \$10,000. Thus each additional amount above the minimum issue nets the buyer a lower rate per \$1,000, no matter how high he goes.

It's easy to compute, easy to explain, easy to sell. All Occidental offices now have the details.



ccidental Life

INSURANCE COMPANY OF CALIFORNIA

Home Office: Los Angeles / W. B. Stannard, Vice President

We pay Lifetime Renewals...they last as long as you do!

The Sky's NO LONGER the limit!



For the man willing to explore unlimited opportunity, North American Life offers top contracts, liberal financing and a complete portfolio of Life and A&S contracts.

Our 1957 Paid Life production set a new high in North American's fifty year history... success makes for success for the man who wants it—NOW!

NORTH AMERICAN LIFE
Insurance Company OF CHICAGO

Charles G. Ashbrook, President

Ronald D. Rogers, CLU, Agency Vice President

North American Building

Chicago, Illinois

Nw Mutual District Agents Hold Annual

Northwestern Mutual Life district agents country-wide attended the first national conference of the company's District Agents' Assn. in March at the Edgewater Gulf hotel, Edgewater Park, Miss. In previous years, only regional conferences were held. Charles K. Zug of Bethlehem, Pa., is president of the association.

Edmund Fitzgerald, president, and four other top company officials ad-

ressed the group.

John H. Vance of Canton, O., was chairman of the conference committee. Chairmen for individual sessions were Robert N. Reynolds, Lancaster, Pa.; and Byron Crosse, Beloit, Wis., a regional director of the association.

District agents who were featured speakers were: Ken Pierce, Elgin, Ill., secretary-treasurer of the association; Wilbur S. Marshall, Colorado Springs; G. Wendell Dygert, Fort Wayne; Joseph E. Krupar, Greensburg, Pa.; Richard E. Thomas, Pasadena; an as-

sociation regional director, and Robert E. Castelo, Champaign, Ill.

Stuart H. Koch, general agent, Appleton, Wis., also spoke.

In addition to President Fitzgerald, the following officers took part in the program: Grant L. Hill, vice-president and director of agencies, Willard H. Griffin, and Benjamin B. Snow, superintendents of agencies, and Charles G. Groeschell comptroller.

Allstate Life has been licensed in Vermont.

1957 Was Good Year For Woodmen Of World

Woodmen of the World had \$607 million in force for 425,000 members at the end of 1957. Gross assets totaled \$212,840,900, an increase of \$5,835,114. Rate of investment earnings was 3.6%, the highest in many years.

Benefits paid to members and their beneficiaries last year amounted to \$8,483,124. Since its organization, the society has paid members and their families more than \$500 million. Savings in operations refunded to members last year alone totaled \$2,250,000. The society increased to 3% the interest rate on refunds left on deposit.

Free Treatment For 200

More than 200 members benefited from the unlimited free treatment the society provides members afflicted with TB. Cost of this treatment in qualified hospitals and for outpatient care last year totaled \$208,192.

Standard Of Oregon To Issue New Package

A new insurance "package" plan designed to protect the future income of the insured against almost any eventuality is being offered this spring by Standard of Oregon. The company states the plan will provide monthly income in the event of accident, sickness, retirement, or death—hence its title, "4-Star Income Protection Plan."

Since the coverage of a combination of policies is provided in a "package," the cost is substantially lower than purchasing separate policies, according to Garnett E. Cannon, president.

Mich. Bill 'Divorcing' Agent, Counselor Fails

LANSING—Michigan house of representatives during the past week defeated, by re-referring the measure back to committee, a senate bill which was intended to separate the functions of insurance counselor and agent. The upper chamber had approved the measure. Re-reference automatically killed the bill, since the deadline for reporting any but financial measures has passed for this session.

Opposition was voiced at a hearing before the Michigan house insurance committee against passage of the bill. Chief spokesman against it was Joseph H. Lackey of Detroit, president of Michigan Assn. of Life Insurance Counselors.

Also In Opposition

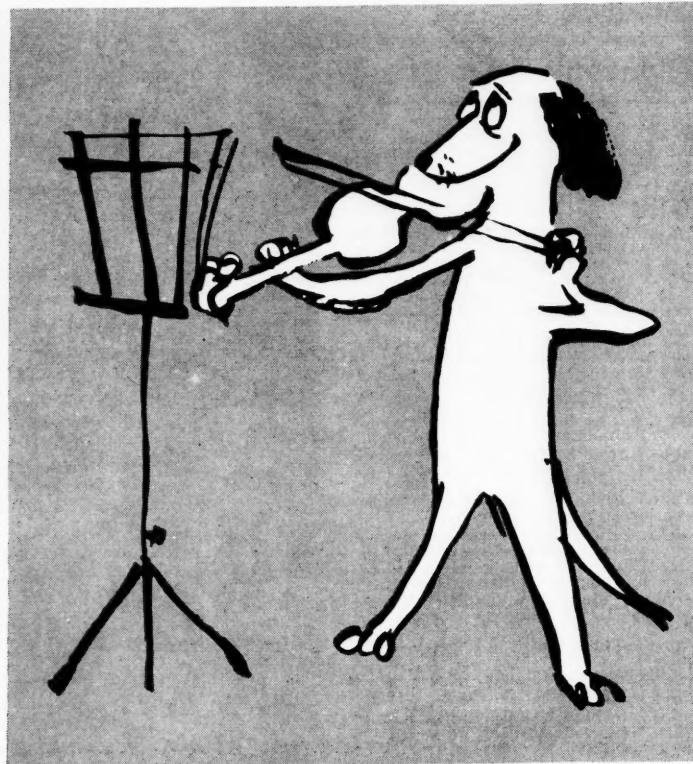
Also among those appearing in opposition were Curtis E. Patton of Great-West Life, Pontiac, who is also executive vice-president of Michigan State Life Underwriters Assn., and Elwin Reed of Prudential, Battle Creek, a past president of the state association.

The measure was introduced by Sen. Leo Roy, Hancock local agent and chairman of the senate insurance committee. Waldo O. Hildebrand, secretary-manager, Michigan Assn. of Insurance Agents, appeared at the hearing on behalf of the bill for his group, as well as for Michigan State Assn. of Life Underwriters, although there admittedly was division on the issue in the membership of the latter organization.

Under the bill's terms, applicants for counselor's licenses could not be licensed agents and they would be required to pass written qualifying examinations. Licenses once issued, could be extended indefinitely by the department as long as requirements were met.

**WHY
PLAY
SECOND
FIDDLE..**

*when it's so
easy to join a
First String
Organization!*



REPUBLIC NATIONAL LIFE OF DALLAS

offers unusual

ACCIDENT AND SICKNESS

GENERAL AGENCY AND BROKERAGE OPPORTUNITIES

For information write Allen Cureton,
Assistant Vice President and Director of A & S Agencies

**The Most Modern Forms
of Accident and Sickness:**

**Disability Income,
Hospitalization and Surgery,
Non-Can, Accidental
Death, Dismemberment,
Major Medical Expense.**

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

North Central Expressway • Dallas, Texas



**Paul Revere's practical sales
training program is carrying its fieldmen
forward to **PERSONAL SALES SUCCESS****

In furtherance of its aim that each of its men be a fully trained salesman, Paul Revere offers a complete two-year program . . . basic, intermediate and advanced sales training designed to give its representatives the soundest possible induction into our business. And features of this training are company schools and advanced underwriting seminars.

Paul Revere men will tell you that their company is "on the move." And Paul Revere progress is bringing challenging new opportunities—and rewards—to those who are already associated with the Company as well as to those who are seeking the kind of future Paul Revere is now prepared to offer field underwriters who can qualify.

The PAUL REVERE Life Insurance Company

WORCESTER / MASSACHUSETTS

Canadian Head Office : Hamilton, Ontario

**NON-CANCELLABLE ACCIDENT AND SICKNESS •
HOSPITALIZATION • LIFE • GROUP**

*Paul Revere's two year
training program offers:*

BASIC COURSE

Sound, practical A&S, Life and Group sales know-how and knowledge plus the best of training in the three areas of efficiency—personal, sales methods and salesmanship.

INTERMEDIATE

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Editorial Comment

Taxes

The April 7 "deadline" for presentation of the Treasury plan for permanent taxation of life insurance companies passed without incident. No bill had appeared through the middle of the week, and there is speculation that the whole idea of "total income" taxation will fade quietly away to be replaced in due course by a proposal of less drastic implications.

If there are second thoughts within the Treasury Department on the tax question, a good deal of credit is due the joint committee on taxation of American Life Convention, Life Insurers Conference and Life Insurance Assn. This committee has had to buck the type of thinking which assumes that a magic formula can readily be devised to apply to any business, and how could life insurance be an exception? It would be unfortunate to have this assumption come to a show-down with the facts.

There have been attempts in some political quarters to have it seem that the life companies have been receiving special tax concessions. It has been intimated that it has been a strategy to have stop-gap legislation adopted year after year. During the recent hearings on the Mills bill the life insurance witnesses were given as rough a time as they have ever been subjected to by Congress.

That sort of talk and treatment should not put the business on the defensive and incline it to accept worse than it has to in a new tax law. Several close observers of the industry, when informed that the Treasury intention was understood to be to apply the 52% tax, responded that it just can't and won't be done. It was inconceivable to them that the attempt should even be made to take such a step. With an intimate realization of the tremendous economic effect such legislation would have, the life companies must feel the same, privately, but they seem less disposed to go on record as stating that the Treasury plan is just plain impossible because it is unrealistic.

It is reasonably safe to say that there will not be enacted a tax law which will bear a close resemblance to the original version under discussion at the special ALC-LIC-LIA meeting in Chicago last week. There is too much at stake for the national economy to have that happen, and the fact that the bill was not placed on display Monday could be heartening indication that the Treasury is coming to that conclusion.

Even a substitute bill of less objectionable nature, however, does not have to be taken lying down. The life insurance industry, as a whole, commands the respect of literally millions of individuals, representing for many their only economic security; it wields an immense economic leverage via its investments and to disrupt them would be to invite upheaval; it enjoys political prestige it apparently is not

aware of because it has not yet had to go to a test; and it goes into any discussion of industry taxation with a record that needs no apologies or explanation.

It is going to take some time to thresh out a tax law that will be acceptable. Even had the Treasury plan been unveiled Monday, a decision on what would ultimately be law could not come much sooner than 12 months from now. There will be some bad days for the life business as its tax problems are aired in the months ahead—including threats and accusations from pious politicians.

Do Agents Need Malpractice Coverage?

It seems as if the life insurance business could be in for some fantastic and far-reaching troubles if the higher courts uphold the recent \$25,809 award against a Los Angeles life agent by a federal judge in Hawaii. The agent was accused of misrepresentation in the sale of \$150,000 of life insurance on the bank-loan plan to a sugar-plantation employee with an income of about \$9,600 a year.

The decision is being hailed as a deterrent to bank-loan abuses, about which there have been many complaints. But the principle involved in the decision could go a lot further than just restraining unwise enthusiasm among bank-loan specialists.

Judge McLaughlin held that the agent, J. Leland Anderson, in advising the buyer, Roger I. Knox, had a legally enforceable responsibility to give sound advice. Mr. Anderson's contention that he was merely acting as a salesman cut no ice with the judge.

This concept of a legally binding professional duty on the part of the agent to the buyer—what could it mean to the life insurance business? If the courts are going to hold the agent legally responsible for the soundness of the advice he gives, how far will disgruntled buyers try to stretch this concept of responsibility?

Before we get into that fascinating and somewhat alarming area of speculation, let's look at some of the things that Judge McLaughlin said in his opinion. The opinion was reported quite fully in last week's issue, but there are certain points that can be picked out for their significance beyond the limits of the case being dealt with. Incidentally, Mr. Anderson chose to be tried by the judge without a jury.

Said Judge McLaughlin in his opinion: "When he (Anderson) held himself out as a counselor he meant only that he was someone clients could 'feel easy with' during the sale of insurance. As to the reliance his clients here claim they placed in his advice, defendant remembers nothing. . . . No one should be jeopardized for being unusually successful at his trade, but he should be held responsible for the intelligent fulfillment of the duties he

But if the industry stands together it can treat the matter on a plane which will allow free discussion without the public relations watchdogs having to worry about a stray sentence or two of unfavorable or confusing comment. The issue overshadows all but the most compelling individual company considerations, and regarded in that light the business, as an entity, can take a strong, leading role in writing a new tax law. The life insurance industry certainly does not have to accept some formula dreamed up by non-insurance "experts" in the Treasury Department, or even consider that an obviously unworkable plan need be treated seriously as a starting point for negotiations. The life companies, united, are far too big for that kind of bargaining, and it is to be hoped they will approach the tax problem with the confidence their importance entitles them to have.—J.C.B.

has assumed by his own actions. A seller might classify himself as a salesman. Yet where this subjective classification differs greatly from representations he makes about himself in the business community, the court will be principally concerned with the consequences of these representations. . . . It could be said that a more reasonable man (than the plaintiff) under the circumstances might have taken greater care in ascertaining the significance of the tax bracket factor in the context of the bank-financed insurance. Yet it was defendant who consciously strove to have plaintiff rely on him in this matter. The nature of the reliance which resulted cannot be utilized to mitigate defendant's culpability. The complexity of the insurance plan sold to plaintiff brings us into an area of the law which has long since seen the demise of *caveat emptor*.

Noting that the buyer's income-tax bracket was "a pivotal consideration upon which depended the successful operation of the plan over the years," Judge McLaughlin brushed aside Mr. Anderson's contention that he was unaware of the plaintiff's tax bracket: "Whether defendant knew plaintiff's tax bracket is immaterial. He should have known."

"He should have known." For the agent who makes sales without bothering to find out all he should about the circumstances of his prospect, those words should have an ominous sound—whether bank-loan insurance is involved or not. Assuming Judge McLaughlin's decision is upheld, how far may we expect his agent-responsibility doctrine to be applied? Must the agent be able to prove to a court's satisfaction that he either gave no advice, made no recommendations, and did not lead the buyer to rely on his expertness—or else be able to prove that he conscientiously inquired into all the pertinent circumstances, that he took them into account in framing his advice, that he gave the prospect the best and most disinterested advice he was capable of, and that he did not even by implication, overstate his own expertness?

Those four words—"he should have known"—could have some far-reach-

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Life Insurance

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ing effects on the merchandising of life insurance if they were applied literally by the courts. Would the agent be held responsible because "he should have known" what policy would be best for the buyer, what company could offer him the best combination of contract and cost, and what advice would have been in the prospect's interest on any other point connected with the entire transaction.

And more than that, what about situations in which the agent actually knows what course would be best for the prospect to follow but advises him differently so as to make a larger commission? What about the agent who sells a policy which he knows will cause the buyer to pay more money over the years than a strictly comparable policy in another company?

To assess damages against an agent when a buyer charges him with giving advice that proved costly seems fantastically at variance with currently accepted concepts of agent responsibility. Yet if the \$25,809 award against Mr. Anderson is upheld, who knows what encouragement it may give to other buyers who feel they have lost money through an agent's unsound advice?

True, Judge McLaughlin used such terms as "fraud" and "culpability" in describing Mr. Anderson's conduct. But the conduct he was lambasting differed only in degree, not in kind, from any other instance of unsound advice that an agent may give because he thinks he will make more money by it than by giving sound advice or no advice. And presumably the test of soundness would be what the agent, in the light of his implied degree of expertness, knew or should have known would be in the prospect's best interest.

That damages need not be confined to the mere dollar loss sustained through following unsound advice may be seen from the breakdown of Judge McLaughlin's award to Mr. Knox. Of the \$25,809.98 total, only \$13,309.98 represented actual out-of-pocket loss, including the amount of overborrowing, which on the eve of the trial was tendered to the plaintiff but which he refused to accept. In addition, the judge awarded \$2,500 for "mental suffering" and \$10,000 as punitive damages.

Judge McLaughlin's concept of agent responsibility would impose a very tough standard of professional ethics on all agent-buyer relationships. If his award is upheld in the higher courts, it seems likely that policyholders who feel they have lost money by poor advice from an agent will try to collect through the courts if the amounts are large enough and the case water-tight enough. It is only necessary to recall how increasingly liability-conscious the public has become over the years to appreciate how claims of damages for faulty life insurance advice could burgeon in future years. If that should happen, perhaps agents will feel compelled to buy malpractice insurance as routinely as doctors now do. In the meantime, the Knox case stands as a reminder to any careless agent that he might find himself legally as well as morally responsible for the soundness of the advice he gives.—R.B.M.

Personals

Miss Lorraine Sinton, sales promotion manager of the Cook agency of



Lorraine Sinton

Mutual Benefit Life in Chicago, is receiving treatment for a type of hepatitis, and has been told that her recovery will be a long and slow one. She is receiving high potency vitamin injections and is on a special diet, in addition to required rest. Miss Sinton is nationally known for her activities in the affairs of NALU and CLU. She is a former president of the Chicago CLU chapter, the only woman who has had that position.

Ralph E. Edwards, vice-president and actuary of Baltimore Life; Claris Adams, executive vice-president of American Life Convention, and Leland Kalmbach, president of Massachusetts Mutual, escaped unscathed from the wreck of the B&O Capitol Limited near Lido, O., April 3. They were en route to the ALC-LIA-LIC special tax meeting in Chicago. Mr. Adams and Mr. Kalmbach were in one of the railroad cars that maintained lights, and were able to pack up and arrange for an auto which took them and Fran Allison, the TV actress, on to Chicago. Mr. Edwards made the trip later on the relief train.

A coal truck hit the side of the diesel engine of the Capitol Limited at a grade crossing when the train was going more than 60 mph. All 15 cars left the rails, but the train broke into four sections and none of the cars overturned. Only a few of the passengers were injured slightly.

Jack Garfunkel, independent agent, has accepted the chairmanship of the United Jewish Appeal drive among New York City's life insurance men. He also led the drive in 1957 and has been active in many UJA campaigns in the past.

Clarence J. Skelton, senior vice-president and coordinator of production planning of Republic National Life, has been elected mayor of Buckingham, a suburb of Dallas. E. H. Wagner, senior vice-president and actuary, is a member of the Buckingham city council.

DEATHS

FRANK G. CALLANDER, 69, former counsel of the Iowa department, died of a heart ailment at Iowa Lutheran hospital, Des Moines. He had retired nine months ago. At one time Mr. Callander was with Assn. of Casualty & Surety Companies in Chicago.

JOHN E. AMSTUTZ, 61, executive director of Brotherhood Mutual Life and past director of Indiana Mutual Insurance Assn., died in Fort Wayne. He also operated the Amstutz agency, which he founded in 1939.

JOHN O. ENDERS, 88, a director of Aetna Life for nearly 60 years until his retirement in 1954, died. He was a former chairman of Hartford National Bank & Trust Co. and was the son of Thomas O. Enders, Aetna Life's second president.

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COMPANY CHANGES

Pacific Mutual Life

Julius M. Welker has been named supervisor of agency finance, replacing John Schmitz who becomes office manager of Pacific Mutual's San Francisco agency. Mr. Welker started with the company in 1949 and has served in the policy change division of the

policy issue department; as supervisor of the renewal department, commercial division; and agency office training division.

Occidental Of California

Murray M. McCulloch has been promoted to assistant counsel. He joined Occidental in 1955 after two years with a Los Angeles law firm. Mr. McCulloch has also served as an attorney for the U. S. House of Representatives subcommittee on investigation of the internal revenue laws.

Prudential

William T. Wachenfeld, commissioner of public affairs of Orange, N.J., has been appointed general counsel of Prudential, effective May 1. He formerly taught law at the Jersey City division of Rutgers university and has been a partner in the Newark law firm of Lum, Fairlie & Foster since 1957. He is a vice-president and trustee of the Charles Hayden Foundation, New York City, and a trustee of the Boys Club of Newark and the United Com-

munity Services of the Oranges and Maplewood.

Wayne E. Philips has been appointed executive director of agencies in Prudential's Chicago regional home office to supervise 59 district officers in Illinois and Indiana. He has been director of Prudential's northwest Pennsylvania region, which has 13 district officers and was awarded the President's trophy for leading all-round performance during 1957. In 1946-52 he headed the New Kensington, Pa., district office, which won the president's citation for five of the six years he was manager. He joined the company in 1931 at Oil City, Pa., later becoming staff manager there. He is a past president of Pennsylvania Life Underwriters' Assn.



Wayne E. Philips

All American L. & C.

Walter E. Goodman has been elected vice-president of the company. He started in insurance in 1936 at New York City and had 21 years of life experience with three major companies before going with All American in 1956 to head group activities.

Federal L&C.

Sherman J. Lavigna has been named group sales manager and Howard E. Brumley group secretary. John H. McEown, assistant vice-president for group, has resigned.

WISCONSIN LIFE—J. Dale Monteen has been named chief underwriter. He had been with Union National of Lincoln for six years as chief underwriter and secretary.

SUPREME LIBERTY LIFE—Named vice-presidents were: James H. Jones, treasurer; Dr. Edward W. Beasley, medical director; Lloyd G. Wheeler, secretary and operations manager; Harry H. C. Gibson, general counsel; John F. Morning, agency director, and Warren H. Bacon, director industrial relations.

SOUTHEAST LIFE of Miami has appointed Peter J. Palms as director of brokerage agencies. He has been in the insurance business in Newark and Miami.

Equitable Of Iowa Offers Business Security Special

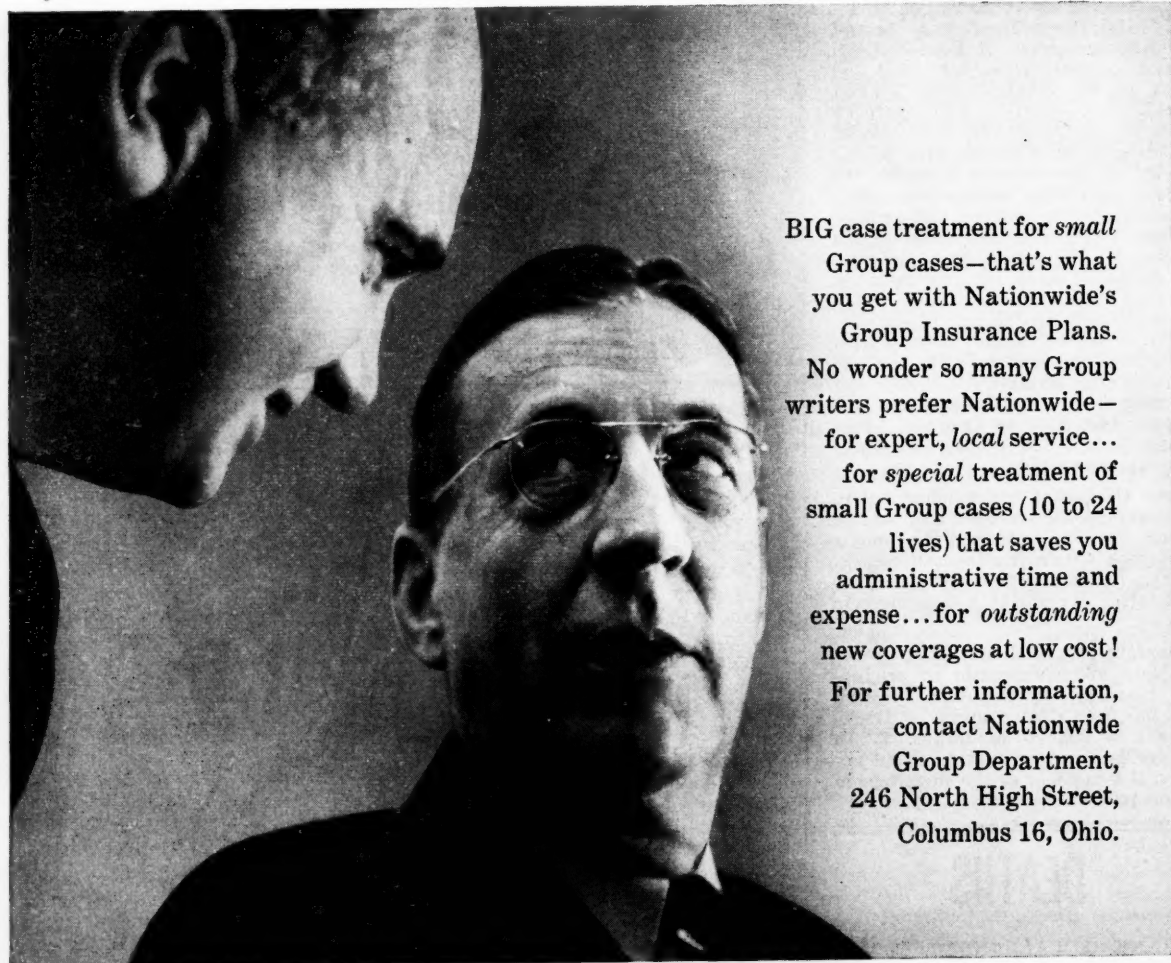
Equitable Life of Iowa has introduced a new \$25,000 minimum business security special policy, a participating life paid-up at 95 plan, available both standard and special class at ages 10 to 70. The contract features the full reserve as the cash value, and is particularly applicable for use in "split-dollar" plans.

LOMA Adds 10 Members

Ten companies have been added as members of Life Office Management Assn., bringing the total to 341. New companies are Chesapeake Life of Baltimore, Canadian Premier Life of Winnipeg, Massachusetts Indemnity & Life, Investors Syndicate Life Insurance & Annuity of Minneapolis, Municipal Ins. Co. of Chicago, Time of Milwaukee, Family Life of St. Victor, Sask., Employers Life of Boston, National Equity Life of Little Rock, and Compagnie d'Assurances Generales sur la Vie of Paris.

Allstate Life has been licensed in New Mexico.

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Mr. Samuel C. King (left) of Samuel C. King Agency, N.Y.C., with Dr. F.F. Bradshaw, President of Richardson, Bellows, Henry & Company, Inc., N.Y.C. Dr. Bradshaw's firm is covered by Nationwide Group Insurance.



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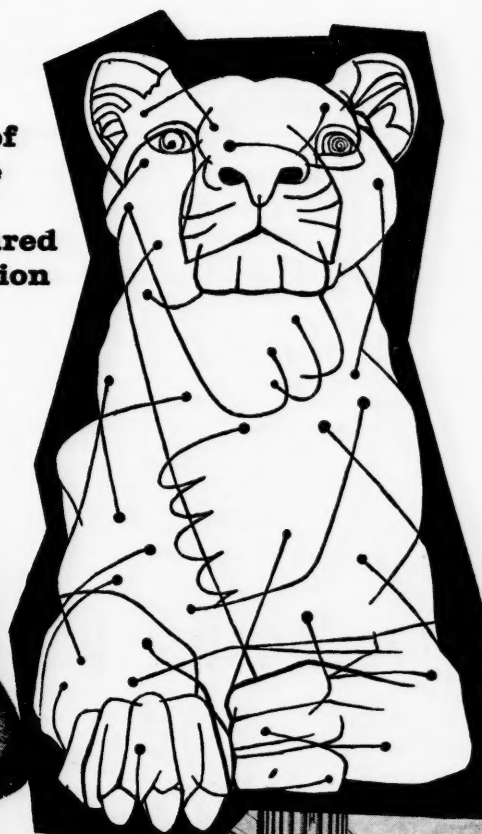
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The manner in which this company protects and increases the financial security of its policyowners and their beneficiaries is shown in this, our 63rd annual statement. We are proud to submit this account of our

stewardship. It is a brief statement of many of the reasons for our policyowners' confidence in that part of their financial security which they have entrusted to the Kansas City Life Insurance Company.

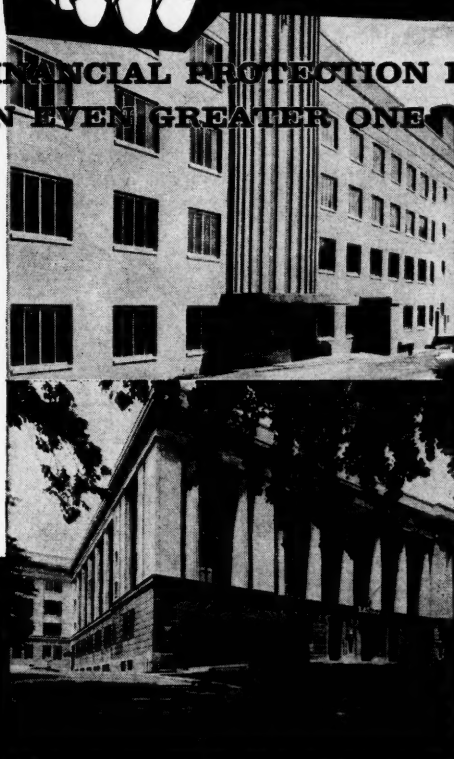
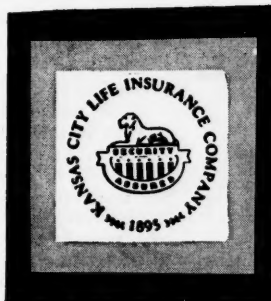
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And Beneficiaries (Since 1895)..... 319,005,125.00**

**KANSAS CITY
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**BROADWAY AT ARMOUR,
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**Two Views of Home Office Building,
Broadway at Armour, Kansas City,
Missouri.**

Warns Against Taking Slogans Too Seriously

(CONTINUED FROM PAGE 16)

is in selling automobiles, refrigerators or apparel.

To bear out the truth that our industry is indeed on test, it is only necessary to review much of the proceedings of recent meetings of our own National Assn. of Life Underwriters, where the forum has been occupied with matters of conflict relating to kinds and purposes of coverages and sales. Perhaps a history of such meetings would reveal kindred problems over the years.

Of course the industry is on test. Each of us, through aggregate impact on the industry, is on test. We wouldn't want it any other way. Once the level of performance should permit us, individually or collectively, to say that further challenge is impossible . . . that a new idea, a new energy, or an unusual talent could not be rewarded above the mean . . . then we would not have perfection; we would have mediocrity and frustration in wholesale.

We cannot rely on any such contrivance as the easy slogan: "You are on test, we are not!" For if the industry itself (and I refer specifically to management) were to accept that concept then it would renounce its right to management responsibility or any share in the guidance of your activities.

Now there are other characteristics in the sale of our product (and I am assuming our agreement that selling is our sole function) which I would prefer to see simplified. That is to say I would prefer that as salesmen we would think, talk and act in understanding of the simple and basic values of our service.

I talk to many salesmen every day. In the course of typical visits there will be numerous references to such slogans as "net cost," "programing," "estate analysis," and so forth. But it develops in my mind that very frequently we have lost sight of the fact that each of these refers to a sales

technique and not to a basic value of the product. In short, as I earlier suggested, we have come to confuse our own slogans with real values, and this I think is a mistake.

A current and classic illustration perhaps is the 20-year net cost projection as a motivation for purchase of life insurance. It is, as we all know, selling "non-ownership" as a logical aim of premium payments. To achieve "net cost" as illustrated, the insured must surrender every benefit of ownership. We are saying to him, in effect: "Look, you must make your premium payments for 20 years. At the end of 20 years of paying you don't own a thing, and we will give back most or all of your money."

Confident Of Prospect

I am confident that in the mind of our prospect we have aroused an idea that life insurance is good to surrender but not to own. Either that, or when he hears the term "net cost" he has in mind the cost of ownership, not the cost of non-ownership. If that is the case, he is misled or confused—probably both.

The truth is that "net cost" illustrations persist only because they have helped sell. And so we observe that the real purpose of "net cost" as a concept lies only in its use as a good and effective sales technique. But contrary to general use, it is not a superior value for the insured.

Industry's One Function

Let me explore this further. The life insurance industry has only one function in the economy: To underwrite economic risks which individuals are not prepared to meet privately.

Yet in every "net cost" illustration we are saying to the purchaser: "You let us have the risk during your best years, and 20 years from now, when the hazard is great, you take us off the risk and put yourself into the insurance business. For this favor, we will not charge you much for the use of your money; in fact we'll give you a good share of it back." I think it may be safely said that in some illustrations we go so far as to offer a "premium" to the insured if he'll go on the risk and take us off (if I understand correctly the purpose of terminal dividends.) In any such instances we are in fact rejecting the only aim for which our industry exists. We are buying our way out of the life insurance business.

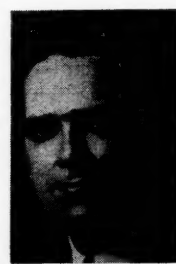
"Net Cost" Desirable Too

So far as I am concerned, and perhaps most of your agree, "net cost" is a highly desirable tool in our portfolio. It is desirable because as a "gimmick" it stimulates us to make sales, and selling is the only circumstance of our business which creates value. Beyond that "net cost" is largely without worth.

If we were to pursue the language applied in any other commodity transaction in America, we would illustrate "net cost" of ownership. Or, in short, the price one pays to own something; in our case, the price one pays to own and possess \$1,000 of life insurance. Then if such illustrations were made, whole life (or ordinary life) policies rarely would be presented. Because all of us know and our rate books show that a 20-pay life plan will cost less to own than whole life in any company in America.

"Programing" presents a similar distortion of values. Values result from ownership of a life insurance policy. Policies owned, and their op-

Sibley Elected Director Of Columbian National



Fred S. Sibley

Columbian National Life has elected Fred S. Sibley a director. Vice-president and director of sales, Mr. Sibley joined Columbian National in January, 1956. Previously he was vice-president in charge of ordinary operations of Pacific Mutual Life and before that was with Travelers.

W. Wis. A&H Assn. Meets

Legislation in the last session of Wisconsin legislature effecting the insurance field was reviewed at the meeting of Western Wisconsin A&H Underwriters Assn. at LaCrosse by Assemblyman Kyle Kenyon of Tomah. He also discussed legislative procedure and explained how bills are evaluated before being voted on and why some are withdrawn after being introduced.

tions, constitute every iota of value in our business. The "program" in its multi-colored glory and impressive graph-work is absolutely without worth. And if the "programmer" should have gone so far as to have elected an irrevocable option where many options obtained, he has in fact destroyed value.

To the extent that the "program" approach excites interest and promotes sales, it has a purpose for us. But again we must refrain from confusing the "gimmick" with real value for the policyowner.

And we could apply precisely the same analysis to "estate planning," "business insurance" and many another slogan descriptive of our sales techniques.

Purpose Loses Significance

Each is useful if it motivates ownership. However, it must be remembered that the purpose for which a policy was purchased loses significance once the policy is owned. Only the values existing in the policy continue, and they do so totally without regard to the motive of acquisition. In short, a \$10,000 life insurance policy will achieve precisely every benefit and option provided in it, and whether it was acquired for reasons of partnership, estate planning or "net cost" is of absolutely no merit, once owned.

Perhaps you will detect, as I think I have, that we need constantly to restore in ourselves the indomitable conviction that life insurance values are the best single property accessible today.

If a little life insurance is valuable, a large or substantial holding in life insurance is even better. But I prefer to reverse the thought. If it is important for one man to own \$100,000 of insurance, then surely \$5,000 to \$10,000 would be literally invaluable to any normal individual of mature age.

I have a further suspicion that it is far more important for the average individual to own \$5,000 or \$10,000 of our product than for a few to own \$5,000, \$100,000, or \$500,000 worth. And if you are chiefly engaged in broadening the base of life insurance ownership—spreading it to greater numbers of people—you are, in my view, doing a superior service.

MISSED the boat AGAIN?

Then the big question is—do you have a diversified group of plans to offer—a plan for every prospect. Look at ANICO'S Complete Line of Policies

COMPETITIVE POLICIES COMPETITIVE COMMISSIONS

ANICO SALES LEADERS

Family Policy.
\$10,000 minimum special.
\$25,000 minimum special.
Life with Family Income to age 65.
Income Conversion Rider.
Annuities.
All forms of A&H.
Complete line of mortgage protection.
Pre-Authorized Check plan.
Gtd. Issue on Pension and Profit-Sharing plans.
Family Income Term Policy.



Openings everywhere in territory for REPRESENTATIVES, BROKERS, SPECIAL BROKERS

Inquiries about these or other openings for those with special qualifications and experience will receive prompt attention and answer. For information address:

COORDINATOR OF SALES

AMERICAN NATIONAL
INSURANCE CO.
GALVESTON, TEXAS

OVER 4 BILLIONS OF INSURANCE IN FORCE

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Simple arithmetic demonstrates that the man among us who seeks a better way to see and sell a greater number of people is more advanced than one who seeks a better way to see and sell fewer people. The end goal of seeing fewer people is one, and finally, zero. The obvious end of seeing and selling more people is optimum impact in your workaday capacity. And this achieves a vastly broader public utilization of the unsurpassed value existing in life insurance.

So this brings us to a look at our future. An analysis of the future need not be speculative. You and I—and our families—all of us aspire to, and strive for, a little better way of life tomorrow than we enjoy today. In short, we want to be "better off." Everybody so aspires, and given an opportunity, will so achieve.

All about us are men and women seeking to be "better off" tomorrow than they are today. These are, for the greatest total good of our country, average persons. We know, historically, that every economy derives its success from the incidence of security and solvency at the first base of its people—the wage-earners and the quasi-proprietors. All civilizations from the beginning of time have had their rich and propertied few.

But a great civilization is that alone which possesses economic and social stability at the first and most important stratum of its populace.

The average American wage-earner in an average American family who seeks to be better off tomorrow than he is today is now as always the greatest marketing source in the country. These people need our services to put themselves on the profit side of the ledger during a lifetime of rigidly-budgeted income and outlay.

Future Is Limitless

Numerically and by aspiration here is our future and it is as limitless as the birth rate. For these vast numbers of neighbors the values of life insurance offer their greatest hope of enduring security and financial well-being.

The element of economic success in America is onefold. We thrive in a system of profit motivation. And there are only two components of profit.

First, you can make a profit in only one period of life—when you have an income. Accordingly, if you have income today you possess the privilege of declaring a profit for yourself and for your family. You can attain success.

Second, you can take a profit only once in a lifetime—when you quit. When you are through, your productive years have elapsed, what you have in the "kitty" is profit. The money earned and spent, the places visited, the cars driven—these are then without consideration. Money you have accumulated during periods of income you may take as profit. It is as simple as that.

Our product alone has the majestic power which enables the average individual to declare a profit within his means today. And from this day forward, in life or in death, he and his family may be placed on the profit side of the ledger. There is in our economy no greater privilege, no greater value, than the capacity to qualify for life insurance ownership.

This is the basic, easily understood service you and I supply. It is a glorious, satisfying opportunity in which we must maintain an indomitable faith.

Many Changes In 1958 Edition Of Who Writes What?

With the latest information on just which of some 200 companies will write many unusual life and A&S contracts, all arranged in easy-to-use form, the new 1958 edition of *Who Writes What?* has just been published by the National Underwriter Co. *Who Writes What?* is the only reference book arranged by subjects, rather than by companies, and answers all sorts of "who-will-write-it?" questions.

To find the answer to any particular question with *Who Writes What?* one merely consults its topical index and turns directly to the list of companies that offer the contract or form desired. Considerable related information concerning contracts and company practices is also shown in convenient subject form. Whenever one wants to find a company that will write something a little out-of-the-ordinary, or to make a quick check on how the majority of companies are handling a particular subject, this unique annual reference book is a great time saver.

Covers Family Plan

Among the new life insurance subjects treated for the first time in the 1958 edition of *Who Writes What?* are the family plan, and the pre-authorized check plan, sometimes called the "bank draft" plan. In addition to showing which companies write the family plan, information is presented so that the reader can tell whether it is a separate policy, or written as a rider attached to permanent insurance on the life of the husband. The presentation of the pre-authorized check plan makes clear just what mode of payment is acceptable—annual, semi-annual, quarterly or monthly. Also shown is the minimum premium, the basis for calculating the fractional premium, and whether all policies of the insured and his family can be paid by a single check.

The listings of the "family group policy" have been completely revised to distinguish this form from the family policy form.

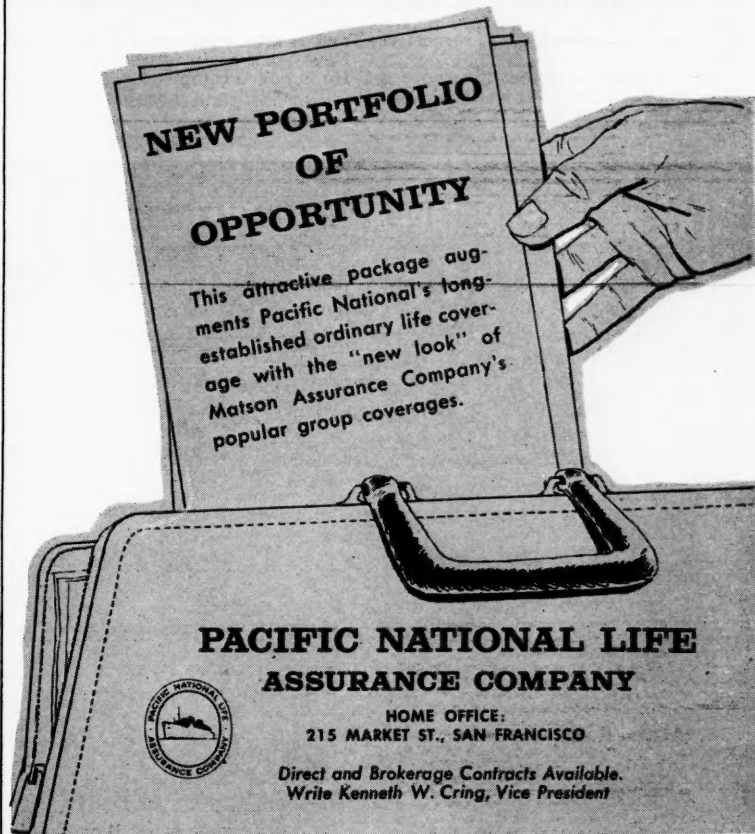
Lists Special Policies

Other subjects completely revised include the listings of special policies with minimums of \$10,000 or more, new listings of the many companies now offering lower rates for women, including the plans offered, and the minimums applicable, and considerably expanded information concerning "graded premiums" which now also indicates the grading brackets.

Revisions have also been made in the exhibits covering non-cancelable guaranteed renewable contracts; also loss of time—men, loss of time—women, and hospital expense coverages, showing whether or not the company has a right to change premium rates, and the age to which premiums are renewable. All of the many unusual subjects treated in previous editions of *Who Writes What?* have, of course, been brought right up to date. Nine full pages are required merely to index the many subjects covered.

Copies of this convenient guide to what the companies are doing may be ordered from the National Underwriter Co., 420 East Fourth street, Cincinnati 2, O., or from any National Underwriter office. It sells singly at \$4 per copy, with lower prices in quantity.

THE MERGED VITALITY OF TWO IMPORTANT INSURANCE COMPANIES PROVIDES ALERT AGENTS WITH A



NEW PORTFOLIO OF OPPORTUNITY

This attractive package augments Pacific National's long-established ordinary life coverage with the "new look" of Matson Assurance Company's popular group coverages.

PACIFIC NATIONAL LIFE ASSURANCE COMPANY

HOME OFFICE:
215 MARKET ST., SAN FRANCISCO

Direct and Brokerage Contracts Available.
Write Kenneth W. Cring, Vice President

Colonial Life's NEW Executive "25"

Guaranteed Low Cost

A TOP FLIGHT COMPETITIVE CONTRACT DEVELOPED ESPECIALLY FOR THE EXECUTIVE MARKET

Life Paid Up At 65

- Annual Premium Age 30—\$17.47 per \$1,000
- \$25,000 Minimum—Men and Women—Up to age 55
- Available for Standard and Special Class Risks

The
 **Colonial Life**
INSURANCE COMPANY OF AMERICA
Home Office: East Orange, New Jersey

Changes In The Field

United States Life

United States Life has appointed **Joseph H. Webster**, **Roland A. Augustine** and **Murray Goldstein** as general agents at Medford, Ore., Kingston, N. Y. and Lakewood, N. J. respectively.

Mr. Webster entered insurance in 1953 and has been with National Bene-

fit Ins. Co., Lincoln National, and Franklin Life. He is former secretary-treasurer of National Assn. of Real Estate Boards.

Mr. Augustine started his own insurance agency in Kingston in 1954 and is a vice-president and director of New York State Mutual Agents Assn. He is police commissioner of Kingston.

Mr. Goldstein has been in the in-

surance business for more than 20 years selling all lines. He is a past president of Ocean County Assn. of Insurance Agents.

Union Mutual Life

David T. Cowles has been appointed associate manager of the Voss agency of Union Mutual Life at Boston. Formerly with New England Life, he joined the Voss agency in 1951 as supervisor, later becoming assistant manager. He is a CLU.

Columbian National

Columbian National has appointed **John H. Blessing Jr.** as manager at Cleveland and **Warren F. Waugh** as general agent in Arlington, Mass. Mr.



John H. Blessing Jr.



A. A. Engwall

Blessing entered life insurance with Penn Mutual at Cleveland, later serving as district manager and supervisor at Toledo. After home office training, he served as general agent at Davenport, Ia., for four years.

Mr. Waugh has been an agent and broker representing several companies, among them Penn Mutual.

Albert A. Engwall has been appointed manager for Columbian National at Des Moines. After 10 years with International Harvester, he entered life insurance with New England Life at Davenport, Ia., later becoming a supervisor.

Pilot Life

Luther Z. Barnett has been appointed assistant general agent at Charleston, S.C., for Pilot Life. He was formerly at Bamberg, S.C., as supervisor in the Charleston agency. **B. L. Parrish** has been appointed supervisor in the Greensboro agency. He is located at High Point, N.C.

H. Carson Barns has been appointed group supervisor at Charleston, W. Va. **R. L. Farlow**, formerly group supervisor in West Virginia, has been appointed credit insurance field supervisor.

Paul Revere Life

William R. Tenney of Ridgewood, N.J., has been named regional training supervisor for Massachusetts Protective and Paul Revere eastern sales region. He was formerly with Prudential as agent and staff manager. For the last year he has been in Jacksonville, Fla., and before that in Maplewood, N.J.

Aetna Life

Marvin T. Benson has been named associate general agent at Miami. He began with Aetna as home office group representative at New York, Atlanta and Charlotte, and in 1953 went to West Palm Beach as an agent.

J. Harold Skelton has been appointed assistant general agent at Minneapolis. He has been supervisor at Springfield, Mo., district office for two years.

Life Of Virginia

William J. Beecher, field training supervisor since 1955, has been named manager of New Orleans No. 4 district office. He has been associate manager of New Orleans No. 3 district.

Prudential

Ralph O. Gulder has been appointed staff manager of the Albuquerque district agency. He began with the company as agent in Albuquerque in 1954.

Sylvester M. Wallace has been named staff manager for the Puget Sound district of Prudential in Seattle. He joined the company in 1953 as an agent in Seattle.

Douglas W. Hallam has been appointed staff manager of Prudential's detached district office in Grand Junction, Colo. He will serve an area extending south to Montrose and east

THE MEN FROM MIDLAND MUTUAL



Charles E. Sherer, CLU, Midland Mutual's Vice President and Director of Agencies—a general agent for 18 years before joining the home office staff.

In every area...success-building agency help

"At the Midland Mutual," explains Vice President Charles E. Sherer, "the job of the Agency Department in the Home Office is to furnish our field management people with effective leadership and support in every area of operation... a strong, continuing 'Helping Hand' in their efforts to achieve lasting success."

Foundation of Midland Mutual's agency-building program is a liberal, attractive plan of field compensation and financial assistance. General agents receive an expense allowance (separate from compensation) which enables them to have a modern, efficient office.

The company's home office agency team provides practical, resultful aid and guidance... in planning, recruiting, training and education, sales promotion

... and through field visits by men with broad experience.

If this "Helping Hand" way of life appeals to you, find out more by writing Mr. Sherer.



THE MIDLAND MUTUAL
LIFE INSURANCE COMPANY
256 East Broad Street, Columbus 16, Ohio

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Glenwood Springs, Colo. Mr. Hal-
am joined Prudential in 1949 as an
agent in Denver.

Occidental of California

Alfred V. Cardiff has been appoint-
ed assistant manager at Boston. He
was formerly at Boston for Home Life
for nine years.

Equitable Society

Equitable Society has appointed six
unit managers. Following are their
names, their headquarters, and the



THINK...

WHY are you paid the same
commission as the lowest pro-
ducers in your agency when you
are consistently a top producer?

WHY do so few companies
vest renewal commissions?

WHY do you receive little con-
tinuing reward for attracting
good producers to your agency?

WHY are your renewal commis-
sions for low lapses the same
as paid to other representatives
for high lapses?

WHY is your renewal commis-
sion schedule so low if persis-
tency is so vitally important?

WHY are smaller renewal com-
missions paid over a long period
of time instead of larger com-
missions paid over a short period?

WHY has the Accident and
Health Division of All Ameri-
can Life & Casualty Company
enjoyed the most spectacular growth
in the business? From the standpoint
of premium income, All American
now ranks among the top 125 com-
panies.

WHY is All American Life &
Casualty Company, having
started writing Life Insurance
in July, 1956, already producing ap-
proximately one million a week?

If you want straightforward answers to
all of these questions... write—

E. E. BALLARD, President,

ALL AMERICAN

Life & Casualty
Company
CHICAGO

General Offices, All American Building
PARK RIDGE, ILLINOIS

agencies to which they are attached:
Donald J. Ballash, Cleveland (Dymond,
Cleveland); **Paul J. Bratt**, Chicago
(Wentcher, Chicago); **Clyde P. Hatcher**,
Lumberton, N. C., (Babb, Raleigh);
James B. Jardine, Palo Alto, Cal.,
(Hemphill, San Francisco); **David C.**
Johnston, Little Rock (Culberson, Lit-
tle Rock), and **Richard Meyerson**, Kal-
amazoo, Mich., (Frale, Grand Rap-
ids).

Mutual Benefit Life

Albert W. Hartley has been ap-
pointed manager of the Maine agency
of Mutual Benefit Life, succeed-
ing Kenneth P. Lord who has be-
come an executive of Security Mutual
Life of Bingham-
ton, N. Y. Mr.
Hartley entered
life insurance in
1946 with Metro-
politan Life at
Utica N. Y. becom-
ing its assistant
manager at Port-
land for five years,
1950-55. From 1956
until his appointment as Mutual Benefit
agency of Maine Fidelity Life.



Albert W. Hartley

Kansas City Life

Richard A. Saucier has been ap-
pointed general agent for 29 western
Montana counties, with headquarters
in Great Falls. He has been with an-
other insurance company as agent for
the past four years.

Manhattan Life



Richard A. Lau

Richard A. Lau
has been appointed
general agent for
Manhattan Life in
Dallas, in the
Davis building. He
entered insurance
with Bankers Life
of Iowa as group
representative.

CONSOLIDATED AMERICAN—
Eugene H. Puckett has been named
manager of the newly established Lub-
bock, Tex. agency. He joined the com-
pany in 1957 as special representative
in Waco and later went to Houston as
field supervisor.

SOUTHEAST LIFE—Leo B. Mc-
Donald has been appointed manager
of a new agency to be known as the
Miami Central agency. He has been
in the business since 1950.

CANADA LIFE—Clifton I. Johnson
has been appointed manager of the
Utah branch following home office
instruction.

RESERVE LIFE—Louis Gell has
been appointed manager of the new
Spokane office at 502 Hyde building.

12½% Stock Dividend For Citizens National Life

Stockholders of Citizens National
Life of Indianapolis have approved a
12½% stock dividend to be paid May
15 to stock of record March 12. The
company's gain from operations in 1957
was the highest of any year since
organization in 1947.

The **Arthur H. Bikoff** agency of Aet-
na Life has moved to larger quarters at
45 Rockefeller Plaza, New York City.

Wants Welfare Funds To Be Registered With U. S.

WASHINGTON—The McClellan
committee investigating conduct of
unions and management in its first
report on past year's activity, recom-
mended legislation that union labor
pension, health and welfare funds be
registered with the federal govern-
ment, reported on in full, and their
details publicly disclosed.

This is the general line of legislation
recommended last year by the Douglas
subcommittee of the Senate committee
on labor and public welfare.

The Hammond, Ind., district of
Prudential led the company in 1957 to
win the president's trophy for estab-
lished districts. The trophy for dis-
tricts opened in new territories was
awarded to Mobile, Ala. The Nimetz
staff in Gary, Ind., won the trophy for
established staffs. The trophy in the
pioneer class went to the Turaska
staff in Tampa. Aurele Blain, St. Lam-
bert, Canada, won the trophy for
agents with net paid-for of \$1,651,577
and premiums of \$43,972. The trophy
for regional leadership was awarded to
the northwest Pennsylvania region.

St. Louis Life Assn.

Hears Burger On Sales

Members of Life Underwriters Assn.
of St. Louis at a breakfast session
heard Joseph E. Burger, St. Louis
business executive, on how to do a
better job of persuading others and
how to sell one's ideas, services and
products to customers, clients, em-
ployees and associates.

He stressed that success in selling
any product, including life insurance,
requires: The right product; right sell-
ing methods, and the right men. "Ev-
ery successful enterprise must com-
bine all three," he declared. Mr. Bur-
ger added that there are five quali-
fications a successful salesman must
possess: Character; industry; ability;
courage, and personality.

He advised in conclusion: "Never
forget a customer and never let him
forget you. The true customer is sat-
isfied with your product and your
services. He likes doing business with
your company and he likes you."

The **Carlton M. Conarro** agency, At-
lanta, was top producer of paid life
volume for General American Life
in February.



Think your client's UNINSURABLE?



Could be WRONG!

NOW—American Casualty gives you—*Accident and Sickness In-
surance for Impaired Risks!*

Here's the unusual new program which allows you to insure many
applicants who are rejected under standard plans... the employed
men and women who, because of some prior or continuing health
affliction, have been denied the comfort of accident and sickness
disability income protection.

It's a tailor-made, all new program designed only for this special
market. Unlike a waived policy, our Impaired Risk Plan DOES
cover the Specified Physical Condition, subject to the terms and con-
ditions of the policy. Pays monthly income benefits (sickness and
accident); accidental death benefit, non-disabling injury benefits.

Mail the coupon today for full details.

AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

AMERICAN CASUALTY CO., Reading, Pa.

Please send Sales and Information Kit on the new A. & H. Im-
paired Risk Program.

NAME _____

ADDRESS _____

CITY _____ STATE _____

Hancock Announces Two Ordinary Policies

(CONTINUED FROM PAGE 13)
period of five years (or less as required) to terminate the insurance on the policy anniversary nearest the 65th birthday.

The premium payable will increase with each renewal in accordance with a table included therein. Renewal is automatic upon payment of the increased premium due at the beginning of each renewal period. The policy will contain a conversion privilege, and the minimum sum insured will be \$10,000.

Mr. Elliott lauded the agency system as "good for the industry, good for the individual company, and good for the nation as a whole." He said the future of life insurance depends on the ability, integrity and knowledge of the individual agent in interpreting to the public the vital role that it plays in the American way of life.

"No one is better equipped to do that job than you—the people who have access to millions of American homes."

At the head table of the NALU-LUTC luncheon during the mid-year meeting at Birmingham: Albert C. Adams, John Hancock, Philadelphia, president of NALU; Managing Director Lester O. Schriver of NALU, and Oren D. Pritchard, Union Central Life, Indianapolis, NALU vice-president.



he said. "No one has a deeper responsibility for doing so."

Discussing current economic conditions, Mr. Elliott said change is the dominant characteristic of the American pattern of life. He emphasized that whatever the current economic trend or the long-range outcome, the need for life insurance remains constant.

"Life insurance is adaptable to every

changing situation and always will be the principal means of filling the needs for adequate family protection," he said. "Whether the economy goes up, down or remains on a plateau, this need will continue to exist."

Mr. Elliott noted that 800 members of the John Hancock district agency organization have been with the company 25 years or more and have successfully weathered business slumps, recessions, a major war and a major depression.

"These men," he said, "have found during these times endless opportunities for income and service. Our business, if we remember that it is different from all others, that it is a high calling, a service to others, will always provide these opportunities for men with ambition, imagination and courage."

Mr. Elliott encouraged the agents to strive for quality and persistency in their sales and added, "We are not interested in racing anyone else but in our business, growth is about synonymous with life, and we do intend to grow and be strong."

President Elliott congratulated the district agency organization for having produced a major portion of the record total of \$2,070,000,000 of new business reported by the company at the close of 1957.

Frank B. Maher, vice-president, announced that during the first 11 weeks of 1958, the district agency organization exceeded all previous achievements for a similar period, with total aggregate sales credits of \$481,952,063.

During the meeting, Ralph E. Hale received the president's trophy for general excellence of performance on behalf of his associates in the Framingham, Mass., district.

The president's citation for the leading regional territory went to the northern New England region, Arthur F. Norton, regional director of agencies.

The Tampa district office received special honors for outstanding achievement in developing new territory. District manager Robert W. Moore

Mich. Blue Cross Shows \$1,744,000 Loss For '57

LANSING—Michigan Hospital Service (Blue Cross) sustained a 1.52% loss in 1957 despite a 12% rate increase in October which brought operations out of the red. Hospital care costs for the year aggregated \$111,555,104 the annual report stated, with more than 547,000 hospitalization cases recorded, highest in the 19-year history of the service.

Payments to hospitals represented 97% of total income, it was stated, with operating costs held to 4%. Thus \$1,744,000 was spent out of reserves to meet payments in full.

The plan covered 3,765,000 members in 1957, compared with 1,540,000 in 1948. The percentage of members needing hospital care has increased 16% in the past 10 years, and average hospital charges per case covered have increased from \$96 in 1948 to \$214 last year.

'Morning With Engelsman' To Be Presented In N. Y.

NEW YORK—"A Morning With Ralph G. Engelsman," starting at 9:15 a.m. April 17 in Waldorf-Astoria's gallery, will be presented by the New York City Life Underwriters Assn. Mr. Engelsman will offer a work session designed to produce immediate sales. He will discuss the finding of personal and business prospects, simple and dynamic approaches, procedures for closing and placing additional coverage, and how every agent can set his sights at high but attainable goals.

There will be an opportunity for questions from the audience. Admission is \$3 for members and \$4 for non-members. Mr. Engelsman is a past president of the New York City and New York state associations and is now a sales consultant to life companies. He was formerly a general agent for Penn Mutual Life in New York City.

received a trophy on behalf of his district.

The vice-president's trophy for outstanding sales of group insurance went to the Cleveland-west district office, managed by Leo J. Driscoll.

Alfred Martin of the Flatbush, N. Y., district was named leading agent for 1957. He was a million producer in 1956 and by more than doubling his sales in 1957 became the first John Hancock district agent to enter the \$2-million class.

Nicholas R. Montalto, assistant district manager at Flatbush, was named leading assistant district manager. He has been a winner in each of his two years as assistant manager, placing second in 1956 and first in 1957.

**WHAT
ARE YOUR
PROSPECTS
for the
FUTURE**

WHILE no one can prophesy the future accurately, there are men who say—"I'm going places... I'm going to be a success!"

The State Life is looking for men of that caliber, for this company believes it is offering the opportunity that aggressive, far-seeing men are seeking. Those who qualify enjoy a most liberal contract with retirement features, complete and thorough training courses for agents and agency managers, a career financing plan for new men, a complete line of up-to-the-minute low-cost policies including the new family plan, and hard hitting merchandising aids. Yes, all this and more... plus a friendly, energetic home office that makes selling a pleasure.

So, if you're interested in climbing the ladder of success, don't delay in getting the facts that will assure building profitably for your future.

DIHL H. LUCUS—Director of Agencies

A MUTUAL
COMPANY
FOUNDED
1894

**The
STATE LIFE
Insurance Company
Indianapolis**

*Face the Future
with
Confidence*



**50th
Anniversary**
SOUTHLAND LIFE
INSURANCE COMPANY
DALLAS, TEXAS

OVER
\$1,165,000,000
Insurance In Force
\$207,500,000
IN ASSETS

Southland
Insurance

HOME OFFICE

Serving
Since
1908

Life
Company

DALLAS, TEXAS

Concern And Harmony At Company Tax Meet

(CONTINUED FROM PAGE 1)

2. Adjustment for reserves which have been strengthened. A company which has strengthened reserves on old business should not suffer a tax discrimination because it has, prior to the effective date of the new law, increased its reserves by a substantial amount at one time, thereby reducing the annual addition to reserves on this business after the law has come into effect.

3. Adjustment with respect to future strengthening of reserves. Amounts applied to increase reserves as a result of change of valuation basis after the effective date of the new law should be allowed as a full deduction.

4. Adjustment for different reserve interest rates. Although some adjustment is necessary in order to prevent discrimination among companies using different interest rates for calculating reserves, it appears that a more practical means of handling this problem would be to make some allowance for different reserve interest rates in determining the amount of the adjustment to provide for fluctuation in experience.

5. Adjustment for deficiency reserves. Deficiency reserves on business in force at the effective date of the new law will be recovered over the future life of this business. This recovery does not constitute actual earnings and the amount of it each year should be deducted from the tax base.

6. Adjustment to provide for fluctuation in experience.

(A) All business. The long-term nature of the life insurance business and the rigid nature of statutory reserves makes it necessary for companies to maintain funds in addition to the total amounts of legal reserves as a protection against fluctuations in mortality, interest, and expense, and by permitting some portion of additions to surplus to be treated as additions to an experience fluctuation against future capital losses. The tax formula should recognize this necessity by permitting some portion of additional reserve, made deductible from the tax base.

(B) Non-participating business. The tax formula should take into account that non-participating premiums have smaller margins than participating premiums and that non-participating business therefore calls for larger accumulations of surplus.

(C) Additional adjustment for certain companies. If a company needs to build up surplus because its amount of surplus is low relative to other companies or its reserve

standards relatively non-conservative, or both, some portion of its increase in surplus should be regarded as being used to make up this deficiency and should be deductible from the tax base.

(7) Adjustment for increase in mandatory security valuation reserve. The mandatory security valuation reserve is legally required by the states, and part of the annual increase in the reserve should be deductible from the tax base—the part represented by the minimum formula (1/20 of 1% of the security values) portion of the increase in reserve plus any amounts added to the reserve to bring it up to minimum requirements at the end of the year.

8. Capital gains and losses. Since life insurance companies, like banks, are financial institutions relying on investment income, there are essentially the same reasons for providing different treatment for capital gains and losses for them than is provided for corporations generally. Banks are permitted to deduct any net capital losses on bonds from ordinary income. In the case of life insurance companies this should be extended to other investments as well. Because of the long-term investment policy involved in the life insurance business and the relatively little need for liquidation, capital gains and losses are not likely to have much effect on life insurance company taxes. For this reason it might be desirable to leave them out of consideration altogether.

Insurance Leaders Feel Secure

In spite of attacks by Senators Anderson, Gore, Douglas and Williams, it was evident at the Chicago meeting that life insurance leaders are secure in the conviction that they have done nothing that needs defending. It was pointed out during the meeting that it has not been a policy of the life business to get itself taxed under stop-gap legislation and this fact is well known to those familiar with the problem, including Treasury officials.

The Mills law was intended originally as permanent legislation but it was accepted by the Treasury only as a temporary measure, until the Treasury could present its own plan. That was in 1956 and it has been the Treasury which ever since that time has been promising to come up with a formula but up to the middle of this week had not done so. From the companies' side, the history of life insurance taxation is one of cooperation and full disclosure.

The Treasury plan to base the tax on total income—underwriting "profit" as well as investment earnings—will carry some weight in Congress simply because of its sponsorship but several speakers at Chicago declared there is no reason to accept anything that is unreasonable, that the life companies stand well with Congress. They are in a basically strong position in dealing with Congress and the Treasury.

Don't Want Preference

From sentiments expressed at the Chicago meeting, it is evident that although they are disturbed by the harshness of the Treasury bill, industry leaders are by no means convinced that anything so tough is going to be enacted. They are hopeful that it will be possible to convince the Treasury as well as Congress that life companies need to have special treatment—though not by any means preferential treatment, if they are to handle their long range obligations realistically.

The tremendous importance of the life insurance business to the general economy should prevent anything drastic being done to it from a tax standpoint. It is pointed out that by and large through the years the life insurance business as a whole has been pretty fairly treated with respect to federal income taxation and it has no reason now to believe there is going to be any permanent departure from this attitude on the part of the government.

Adoption of a permanent basis of taxing the life companies is so far from consummation that the various possible consequences of the Treasury proposal or any other are not an immediate cause for jitters. An increase to an annual level of half a billion dollars or more as compared with a 1957 figure of \$290 million under the Mills law is horrendous enough. Beyond that are such speculative possibilities of substantial changes in life insurance operations and resultant effects on the economy, should the treasury's present version of the total-income approach be enacted.

May Change Capital Outlook

It might conceivably have the effect, for example, of causing life companies to invest much more heavily in tax-exempt bonds, thus pouring money into local governments at the expense of offerings of private corporations. This would mean easy money for roads, schools, and such-like projects, while businesses and industries needing additional funds were pressed to find a market for their bonds.

Or it might mean that owning real estate, with its depreciation factors, would be more attractive than mortgage loans. Or maybe common stocks would look better than government bonds. Undoubtedly, all these considerations would carry weight with Representatives and Senators who have to think of the effect not only on the economy generally but on the specific areas of the country which they represent.

In his detailed report, Mr. Davis pointed out that one of the primary difficulties in helping to bring about a satisfactory permanent law is the necessary intricacy of any formula for taxation of life companies.

"The difficulty of getting our story across is far greater than is generally realized," Mr. Davis said. "There is widespread belief that life insurance is enjoying preferential tax treatment. Congress appears to have little appreciation of the difficulty of producing a formula that will distribute a tax throughout the business without injustice among companies."

N. Y. Life Offers Substandard A&S

NEW YORK—New York Life is issuing substandard personal A&S on regular A&S forms.

Permanent extra premiums will be payable for five years or less, depending on the nature and severity of the physical impairment or medical history.

Peoples, D. C., Seeks To Boost Capitalization, Split Stock 2-1

WASHINGTON—Peoples Life of Washington, D. C. has proposed a 20% increase in capitalization, to be followed by a two-for-one stock split and a 20% stock dividend. The stock, which is closely held, last changed hands at \$97 a share. In 1956 a stock dividend of 66% was paid, which increased the capital from \$1.5 million to \$2.5 billion.

The proposal is to increase the pre-

sent 250,000 shares of \$10 par stock to 400,000 shares of \$5 par stock and issue an additional share of \$5 stock for each share of \$10 stock and also pay out of surplus a stock dividend of \$500,000.

Life Assurance Co. of Pennsylvania has opened in Philadelphia with \$300,000 capital and a \$300,000 surplus. The company writes group, A&H hospitalization and is specializing in business insurance. Executive vice-president is Sherman Edelman, who was with Sterling of Chicago in 1947-56 and from that time until last January was vice-president of Mount Vernon Life of New York.

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H.O. Underwriters Program Announced For May 8-10 Meet

The underwriting of employe benefit plans, family and parent-child policies, and the measurement of underwriting performance are the subjects of three discussion groups scheduled for the annual meeting of the Home Office Life Underwriters Assn. May 8-10 at Chalfonte-Haddon Hall, Atlantic City, N. J.

Each of the three topics will be discussed in turn in each of the three meeting rooms so that every member may take part in the discussion of each topic without changing rooms. The moderators will cover each of the topics completely with each of the discussion groups.

Moderator for the employe benefit plan will be Thomas K. Dodd of Connecticut Mutual. It will cover current developments in underwriting formal pension and profit-sharing trusts, changes in the market for insurance coverages, guaranteed issue plans, deposit or conversion deposit

funds, and graded death benefits and other special features. Other questions to be covered include: Do other employe benefit plans receive special underwriting considerations? Informal pension plans? Split-dollar plans? Other forms?

Will Moderate Panel

Barton S. Pauley, Prudential, will moderate the panel on family and parent-child policies. Topics to be covered include: What special contract features require underwriting consideration? Issue ages, mortality classes, automatic and optional extra benefits, conversion features? What are the recommended underwriting standards—medical examinations, inspection reports, attending physician's statements, signatures and agents' certification, variation for individual lines involved, environment? What are the special problems encountered and how are they handled, such as insurability, changes, or other irregularities in lives involved, aviation or other exclusions, policy issue and records, reinstatements?

Moderator for the discussion of mea-

surement of underwriting performance will be Frank G. Whitbread, Lincoln National. Topics include: What studies do underwriters use in appraising the total mortality experience of their companies? Comparison with other companies. What special studies are made of very recent mortality experience to determine underwriting effectiveness? How are early claims analyzed? What studies are made of speed of issue, persistency and other factors to guide underwriting?

The discussion groups are scheduled for 2 o'clock the afternoon of the opening day. That morning there will be the presidential address by John M. Huebner, Penn Mutual, and a guest address by Dr. Solomon S. Huebner, the famous life insurance educator and president emeritus of American College. There will be an informal reception that evening.

MacRae Is Chairman

The second day will open with Earl M. MacRae, New York Life, as chairman. Paul K. Frazer, Northwestern Mutual, will speak on "Some Observations on Risk Selection Practice." Dr. Thomas C. Dunlop of Manufacturers Life will give a talk on "Medical Progress and Underwriting."

At the debit underwriting session that afternoon George F. Vaeth, Sun Life of Baltimore, will be chairman. Moderator for the weekly premium panel discussion will be Russell L. Wagner, National Life & Accident, the members being Frank H. David, Prudential, and Everett W. Wilson, Life of Georgia.

The monthly debit ordinary panel will have as moderator William W. Black Jr. of Commonwealth, Life, the panelists being Neil Bailey of London Life and Samuel F. Shafron of Baltimore Life.

Committee To Meet

The occupational committee will meet May 10, with Donald H. Lawson or Travelers as chairman. Following a presidential greeting from Mr. Huebner, the following topics will be discussed: "A Statistical Survey of Recent Accident Fatality Rates for Railroad Workers," Paul Shea, Penn Mutual; "Deaths in Occupational Groups from Causes Not Directly Connected with the Stated Occupation," David W. Bell Imperial Life; "The Pacific Northwest Logging Industry," Jules V. Quint, Metropolitan Life; "Falling Timber," a film presentation; "Underwriting Research," Edward H. Sweetser, New York Life; "Rockets and Guided Missiles," J. F. Harbarger, chief safety engineer of Thiokol Chemical Corp, Redstone Division, Huntsville, Ala.

Jefferson Standard Cuts Non-Par Rates, Ups Par Dividends

Lower premiums on all non-participating policies and increased dividends on participating policies were announced by Jefferson Standard Life at its 50th anniversary field force convention, at Hollywood Beach, Fla.

Jefferson Standard has eliminated most of its former line of juvenile policies and in the future will issue regular plans down to age zero. Eliminated are all graded death benefits on policies issued on the lives of children. The company also reduced loadings on all installment premium payment plans, with major reductions in loadings on salary savings and automatic check plans.

New policy contract forms—re-designed for simplicity and eye-appeal—and new streamlined application, non-medical and medical forms were also announced.

Wis. Fraternal Congress Names Wenger President

William Wenger, Madison, Wis., National Mutual Benefit, was elected president of Wisconsin Fraternal Congress at the annual meeting in Milwaukee to succeed Joseph B. Swiderski of Federation Life of America. Others named were Herbert Voeks, Appleton, Aid Assn. for Lutherans, vice-president; Charles G. Lawler, Milwaukee, Catholic Order of Foresters, treasurer, and Mrs. Marie Brachman, Milwaukee, Aid Assn., secretary.

About 30 fraternal organizations were represented. Mayor Frank Zeidler told the delegates that fraternalism is an important process in the Americanization of immigrants within one generation. The principles of fraternalism, he added, have had a great effect on local government and communities by providing a protecting shield for many persons of slender means.

Spiritual Values Are Vital

Circuit Judge Francis Swietlik said spiritual values provided by fraternal organizations are vital to this country's growth. America must continue to educate the heart and soul of its children and provide them with moral and spiritual values necessary to serve the human race.

Edward Merten, assistant agency director of the Aid Assn., also spoke.

Plans were made to again hold a midsummer sales meeting and outing for the leading agents of the various fraternal organizations making up the congress. Citations of merit will be awarded. The event will be held at a Wisconsin summer resort in August, the date and place still to be selected.



As the railroad industry has grown and progressed, so has Life and Casualty. From a very modest beginning in 1903 to more than a Billion Dollars of Life Insurance and a Billion Dollars in Accident Insurance in force today! We have progressed in other ways as well: In the type and variety of protection we offer; in the cordial relations we enjoy with our policyholders, and of utmost importance, in the fine service rendered to our policyholders by our outstanding field force.

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President

Government Should Spend Quickly Now: Shanks

(CONTINUED FROM PAGE 13)

timing, and in fact by an apparent disregard for the tremendous impact which changes in government expenditures have on the economy," said Mr. Shanks. "It is remarkable that the private economy has borne up so well under the unstabilizing onslaught of this irrational use of fiscal policy."

He tempered this criticism somewhat by saying, "although there is need for accelerated action, it is heartening to realize that, for the first time in the post-war period, government expenditures are now being used as a stabilizing force during a business recession. The only serious defect in current use of fiscal policy is the confusion between long-term and short-term projects."

He said also there is a growing evidence of increased economic responsibility in government—of bipartisan agreement on at least the basic principles which should guide government in the use of stabilization techniques.

It would not have been sound fiscal policy for the government to have attempted to prevent entirely the current recession, according to Mr. Shanks. Adjustments in the economy are needed at times, and neither fiscal nor monetary policy should be used to forestall or completely push off these adjustments, he said.

Recession's Good Effects

The restoration of a greater degree of competition, a greater incentive to improved production and distribution techniques and a greater realization that the economic system exists to serve the consumer could result from a business adjustment, he said.

While the use of either monetary or fiscal policy to prevent the current adjustment would have been a mistake, both should be used now so the adjustment does not become cumulative, Mr. Shanks said.

He advocated as "sound fiscal pol-

icy" a rapid stepping up in government defense orders and in government spending during the first half of this year.

He said three important advantages would come from such acceleration of expenditures. First, business activity would be given a substantial lift. Second, badly needed defense goods would be secured at a relatively lower real cost. Third, it will be possible to hold government spending in 1959 to a somewhat lower level than would otherwise be necessary if more defense goods are secured in 1958.

"There is real danger," Mr. Shanks said, "that the 1959 situation may be

Guardian Liberalizes Its Allotment Plans

Guardian Life has adopted new rules for the purchase of life or A&S salary allotment plan. The monthly premium on each policy has been reduced to one sixth of semi-annual. There is no minimum premium requirement for any individual included in the plan, but the total monthly premium must be at least \$25. Policies issued to dependents will count toward the minimum, the same as policies issued to employees. A case will be placed and continued on salary allotment as long as there are at least five individuals carrying life insurance or five with A&S.

The reduction of the monthly charge to one-sixth of the regular semi-annual premium has been extended to all current Guardian salary allotment cases where the new minimum requirements are met. The same rate will apply on new military allotment business, and Guardian is notifying each serviceman now paying premiums on allotment basis that he can have the lower rate by submitting the necessary authorization to his disbursing officer.

seriously inflationary." Anything which can be done now to make possible lower government spending in later years will stimulate business now and curb inflation in the future. But here he warned against the slow starting, long-term public works program which does nothing now and compounds inflationary difficulties in the future.

A substantial across-the-board cut in income taxes is called for if business activity does not improve soon, he said. He recommended that the corporate income tax rate be reduced somewhat and that there should be a reduction in individual income tax rates by an average of five to 10%.

"The resultant stimulation would be immediate," he said, "and it would constitute infinitely sounder fiscal policy than the slow-moving public works projects which are now being proposed under the guise of anti-recession measures."

In the future, the nation will be faced with the problem of meeting the rapidly expanding defense needs without succumbing to inflation, Mr. Shanks said.

Responsible estimates indicate defense expenditures may have to be increased by \$2 billion cumulatively each year during the next five years, he said, and non-defense spending is likely to increase by a minimum of a billion dollars a year.

If this increase of \$3 billion a year does occur, he said, the proportion of our total output going to the federal government will begin to rise.

He said the real output of the economy can be expanded by about \$19 billion a year at the maximum as the result of the growth of the labor force and improved productivity made possible through more and better capital equipment.

Governments' Share Rises

"Of this increase of \$19 billion in real output, the federal government will absorb at least \$3 billion, or almost 16%, compared to 12% which is the present share of the federal government in national output," he said.

Thus, government spending will be rising faster than national output "so that the federal government will be getting more, and private purchasers

(CONTINUED ON PAGE 34)

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Chicago Life Assn. Studies Bettering Business

(CONTINUED FROM PAGE 2)

of cold canvassing and found it a good method to come face to face with people, but a very tough way of eliminating buyers and non-buyers.

He studied up on telephone prospecting, he said and found out that this method, while highly successful, uses up a lot of names. For example, in one year he went through 10,800 names. Of these he contacted 7,000 by phone and direct mail and from this number garnered some 600 prospects. Of these, 159 actually signed applications.

Mr. Allen is a firm believer in having a rigorous schedule and keeping a meticulous check of records. This theory has been found in a number of cases by many companies to produce outstanding success with agents who have previously been on the verge of failure. In Mr. Allen's case, his agency supervisor set up a schedule for him which produced 18 applications each month in the last three months of 1957 as against 11 the first nine months which were acquired without the schedule. Mr. White said in September of 1957 he found himself "way off pace for MDRT" and went back to check his schedule and records. He then produced \$497,000 in the last four months to qualify for MDRT. Mr. Allen is strictly a "general practitioner" type of life insurance man and writes no big business cases, almost all of his sales resulting from programming for individuals.

Cite Youngest MDRT Qualifier

Richard T. Christoph of Penn Mutual, who in 1955 at the age of 23 became the youngest agent in the history of the company to place \$1 million of life insurance during his first full year in the business, relies on a fascinating series of figures, the presentation of which he has perfected to such smoothness that it would seem impossible for a prospect not to accept the fabulous offer. His approach amounts to asking the prospect how he would like \$10,000 a year for life or \$100,000 in cash and then goes on to make this offer fit almost any need, raising or lowering the amount as necessary.

He furnishes the prospect with a

blank piece of paper and pencil and insists that he do his own figuring as he goes along. The way Mr. Christoph goes through his presentation makes just about every type of investment or savings plan seem pale in comparison to the \$10,000 a year for life approach. Mr. Christoph asked 135 people to buy this illustration, and no one could afford to write a check for \$2,000, the first annual premium. "But by talking the big plan they will still be thinking of the cash value of the plan and will write a check for \$10,000 worth of life insurance." Of the 135 people, he sold 84. The major part of his business came from repeat sales in which he went back and gave the illustration to customers who had already bought part of the plan.

Leading off the afternoon session was Kenneth R. Bentley, general agent Mutual Benefit Life at Danville, Ill., who at age 25 was the youngest man in 1947 ever to make MDRT. He has now been an MDRT member for 11 years. Mr. Bentley stressed efficiency and organization as the top clues to his success. He used large show cards to depict his various points. There was much interest evidenced in these various "props", as well as another "prop" which he introduced to the audience as such, getting quite a hand for same, since this turned out to be his secretary, Marilyn Joffa, who aided in the presentation.

Mr. Bentley said lack of organization is the biggest failure for first-year and new agents and that by building up organization gradually, like anything else, it soon becomes an unbreakable good habit. He stressed the need of "spending some money to get away from secretarial work. We should be out making our \$10 to \$100 per hour instead of doing \$2 to \$3 secretarial work," he said. His secretary then described some of the things she does to take the detail load away from Mr. Bentley, permitting him to have more time in the field. Mr. Bentley advised that if an agent could not hire an extremely efficient secretary, two, three or four agents could get together and share the expense.

Rounding off the sales congress was

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closing speaker was Oren D. Pritchard, Indiana manager for Union Central Life and vice-president of NALU. His talk was both inspirational and factual as he gave many examples of life insurance at work. He said that "enthusiasm is knowledge on fire and if you make your job important, it is quite likely to return the same favor."

Two speakers from outside the insurance industry were Dr. Kenneth McFarland, General Motors lecturer, whose inspirational talk on current business conditions and attitudes brought the audience to its feet in a standing ovation.

Also scheduled on the program was Arthur C. Nielsen Sr., chairman of the marketing research firm bearing his name. Mr. Nielsen was unfortunately detained in Oxford, England, in dedication ceremonies for the Nielsen House there, and his talk was read by E. T. H. James, vice-president of the company. Mr. Nielsen was very emphatic, however, that Mr. James should let the audience know the talk he read was prepared by Mr. Nielsen personally and express his disappointment in not being able to deliver it.

Mr. Nielsen said that his business was marketing research and he was surprised he was even called upon to address a life insurance audience. He went to a friend of his in the insurance business, who is an expert, and asked him why they had picked on him to make the talk.

The friend replied he said, "The records show that of all the business men in the Chicago area, you are the biggest sucker for buying life insurance. And since, in the buying of everything else, you are tight as the paper on the wall, the sales congress chairman figures that you must have some exceptionally good reasons for buying all the insurance you have bought. And he thought these reasons might prove interesting and helpful to other business people."

Mr. Nielsen said he does not buy insurance, life or any other kind, because he has appraised the risk and concluded that the odds are in favor of his collecting more money, in claims, than he'll pay out in premiums. He suggested buying insurance only "if the loss will really hurt you seriously. A business man need only to ask himself 'will the loss if it occurs really hurt?' If so, buy it; if not, forget it."

In the operation of any business there are many potential losses that could really hurt and some that would prove fatal to the business, declared Mr. Nielsen. The ingredient that usually exerts the greatest effect on profits and on the safety of the business is executive manpower, and especially the chief executive. He opined that every business man should

ask himself, "What will happen to us if, this very evening, the boss should close his desk for the last time?" He then brought up the various contingencies that might take place, such as the bank calling loans, suppliers reducing credit, loss of confidence by customers and departure of certain key employees or a feud among themselves.

"Or will the stock control pass to a widow who makes herself obnoxious by telling us how to run the business, or, worse still, by marrying some gigolo who will turn the place into an Arthur Murray school of the dance?" he queried.

"These dangers are very real. In my own professional experience I see many of these things happen to very good companies—bringing ruin not only to the companies but also to some mighty fine executives who spent their lives helping the boss build his business. It just isn't fair to such men—or to the stockholders—to run such grave risks when life insurance stands ready to solve the problem."

Mr. Nielsen pointed out there is an additional source of business available in annuities, which he feels are "rather easy to sell to the more intelligent office workers and executives." He said his method of "selling these policies to our employees" is to quote from an address which he made recently to a group of important people in all the Nielsen companies. In this talk he started out with a discussion of fringe benefits, pointing out that there were some practical limitations on what can be expected from this source.

Mr. Nielsen advises his employees to start a systematic program of personal savings carefully calculated to create, by age 60 or 65 any desired supplement to government and Nielsen benefits. "A good insurance investment expert can help you with this part of your program," he tells them, and advocates that they recheck their entire plan at frequent intervals, every two years being none too often.

Curran Not With Mutual Benefit

Robert Curran Jr., whose picture appeared in last week's account of the Mutual Benefit Life general agents convention, is not with that company. The picture should have accompanied the story in the same issue reporting the retirement of Donald Keane as Massachusetts Mutual general agent at New York and the appointment of Mr. Curran to serve as co-general agent with Lloyd Mallon, who has been co-general agent with Mr. Keane. Through error, the Curran cut was used in the spot intended for that of Charles G. Heitzberg, Mutual Benefit Life vice-president.

Gerhard C. Krueger of Equitable of Iowa (center), president of Chicago Assn. of Life Underwriters and secretary-treasurer of the state association, is shown with the co-chairmen of the Chicago association's sales congress, Ralph L. Welch, Bankers Life of Nebraska, left, and Merrill H. Lundgren, New York Life, both of Chicago.



Mr. 4%

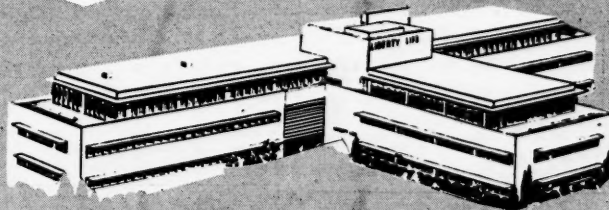
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Government Should Spend Quickly Now: Shanks

(CONTINUED FROM PAGE 31)

less, of our total output," he added. State and local government expenditures probably will be rising faster than national output, he said.

"The major problem is how to pay for these government expenditures—not simply in money, but in terms of real goods and services," he said. Some means must be found to reduce the private share of real goods and services if both the federal government and the state and local governments are to secure an increasing share of our national output.

There are three ways by which goods and services can be taken from private consumers and allocated to the government, he said.

First, there is the method of deficit financing through the banking system. This method, he said, would in effect impose a "particularly inequitable tax" on all private purchases since the purchasing power of private consumers would be reduced.

The second method—deficit financing by the government accompanied by a substantial increase in private

saving—has much to be said for it in view of a chronic savings shortage, Mr. Shanks said. But there is little likelihood savings can be increased enough to completely finance the sort of deficit the government is likely to incur, he said.

Increased taxation is the remaining method. He said he has long argued that personal income tax rates are already too high. They are seriously damaging incentives to produce and to innovate. But the defense program is going to be paid for.

"It is pleasant to imagine that we can continuously plan for more guns and more butter," he continued, "but there are limits to the productive capacity even of the American economy. If we are unwilling to cut back non-defense government expenditures as defense expenditures unavoidably rise, then there simply must be some reduction in the share of our total output which can be devoted to private consumers."

Mr. Shanks expects the economy will be "Fully employed" in a year.

A&H Producers Told How To Improve Sales Techniques And Educate Public

Ernest E. Cragg, regional supervisor of Washington, D. C., told Maryland Assn. of A&H Underwriters at its Baltimore meeting that one objection the public has to income protection is the reliance on the American institution known as the "comeback."

He said it is heartening to note the many examples of misfortune which have carried people to the depths only to have them rise again through diligence, industry, determination and many times, luck. "A prizefighter defeats dope, an actress whips alcoholism, a pitcher conquers the sore arm. The news media publicize the comeback of the year."

So far as this emphasizes opportunity to reform and recoup, it is salutary, he said. "But what it should not do is convey the idea that they all come back, because most do not. Those who do are in the minority—which is one of the reasons they are so newsworthy. And because they are the small minority, you would do well to dispel this thinking from the mind of your prospect, especially as he ponders over the application for income protection."

"The way most people should live, is to keep from falling so they will not from an income standpoint, need to worry about the climb back to solvency. No one denies that it is thrilling to see a man come off the canvas to win, but the philosophy of the protection we offer leans more toward the thesis of 'keep your chin tucked in and your pants off the floor.' To mix metaphors, this is the guard of insurance against an economic knock out."

"Another hindrance in the buyer's mind against the purchase of income protection is the illusion that there is such a contrivance as immunity from disability and misfortune," he continued. "Now and then we all come across the prospect who feels personally immune from disability because he conducts himself with decorum. However, the man cannot be master of his fate. Much misfortune is as impersonal as the wheel that crushes a frog. The pious get little favoritism from the weather. The Christian is compelled to get his hay under cover as rapidly as the unbeliever. There are certain contingencies against which it is the better part of wisdom to protect oneself. Disability is no respecter of persons. If more people looked upon the misfortune of disability in this way and did not trust to luck or the magic of some personal favoritism, we could sell more income protection. So let us adjust some thinking and increase your sales."

Mr. Cragg said another fact which bolsters the case for income protection is that the real tragedy of many lives is not that misfortune visits them, but rather their incapacity to contain it. The keen observer knows that some type of misfortune visits everyone at some time. That being so, and if the misfortune is disability, then claim benefits do even more than their monetary value to increase the capacity of the claimant to endure his troubles.

"We have been hearing a great deal about the scholarship programs necessary to channel receptive and competent young minds to institutions of higher learning," he continued. "We have failed to do this to a satisfactory degree in the past, we are told. The question follows: How many bright minds have never darkened college doors because disability cut off

the father's income, and a child of promise joined the working force at a younger age? Too often, I think. There must be many cases that follow the pattern of young men pumping gas who might have been petroleum engineers, if the old man had owned a good income protection policy back in 1947 instead of a '47 automobile back in '47. Which would loom as the larger value now? As to the future, it seems most logical that as we protect more incomes, more young people will have the opportunity to develop their talents and attributes.

Natl. Assn. Of Life Companies Wants Mills Law As Permanent Tax

National Association of Life Companies has directed its taxation committee to continue its efforts to have the present Mills act for the taxation of life companies made permanent, or failing that, to be enacted for at least three years to permit a full test of its operation.

The association is particularly concerned about the unfairness and obsolescence of the 1942 act, which would have gone into effect automatically if the Mills act had not been extended, and which would apply to 1958 income in the absence of action by Congress, since the extension of the Mills law was for only one year.

C. E. Carlson, underwriting secretary of Continental Assurance, discussed handling brokerage business at the April meeting of Indiana Home Office Underwriters Assn. at Indianapolis.

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Life Agents Will Do Better: Kalmbach

(CONTINUED FROM PAGE 2)

less than the single-premium premium paid, annual dividends which may be accumulated to provide additional income, and optional methods of settlement. Cash values will be quite substantial and will exceed the single premium paid in four years, or with accumulated dividends on the present scale, in three years.

On the extension of term to age 70, he said that the improvement in mortality experience which has taken place in recent years has been especially marked at the older ages. The substantial reductions in insurance costs in this range are reflected in the company's 1958 dividend schedule, and indicate the great decline in death rates in the 60 and 70 age groups.

"Because of the great improvement in mortality at the older ages, we feel that we can liberalize our present limitation on coverage under term insurance." He said, "therefore, effective immediately, we are prepared to offer term coverage to age 70 instead of the present maximum age of 65 in connection with our five, 10, 15 and 20 year convertible term policies; 10, 15, and 20 year protection agreements; family protection agreements, and mortgage retirement provisions."

Congratulates Field Force

Reviewing 1957 operations, Mr. Kalmbach congratulated the field force and the general agents on their efforts, which resulted in total sales of \$893 million, a new record. He said nearly 22% of the new ordinary business was produced by men in their first two contract years, which he said demonstrated the vital importance of a program inducing a satisfactory number of quality men each year. He said that ordinary sales of \$93 million in January, 1958, constituted the largest single month's production in the company's 107-year history and the February total, over \$77 million, was the third largest month.

The group department showed substantial increases in sales in all classes with new annual premiums amounting to approximately 23% more than in the previous year. Of the company's agencies, 58 wrote more than a million dollars of group life in 1957, as compared with 48 in 1956 and 37 in 1955.

Mr. Kalmbach said that one of the most serious and most difficult problems a company faces is steadily rising costs, and that in order to keep unit costs at a reasonable level and give the field force and the policyholders the kind of service the company considers necessary, it is the responsibility of management to strive for a steadily increasing volume of sound business.

Will Increase Agencies

Executive Vice-president Charles H. Schaaff said Massachusetts Mutual will continue to increase its number of agencies and agents, which since 1950, when he assumed charge of the agency operations, has expanded by the establishment of 20 new scratch general agencies, the inauguration of a general agents' retirement plan, expansion of sales operations in a number of metropolitan areas, and a manpower program which has increased the number of full-time field representatives from 842 in 1951 to 1,539 at present.

Another aspect of the expansion

program has been a revised district manager plan, which in five years more than quadrupled the number of district agencies with a result in increase in new business of these offices from \$5½ million in 1953 to more than \$113 last year. Also a staff supervisor plan was introduced, with the number of supervisors growing from 12 to 58 in just under two years. The company now has 100 general agencies through-out the country and in Hawaii.

The Syracuse agency was named winner of the president's trophy for 1957. President Kalmbach made the presentation to general agent Harry C. Copeland Jr. Other agencies finishing among the top five in trophy competition were the Atlanta, Los Angeles, Rochester, N. Y., and Newark agencies. Mr. Copeland is a life and qualifying member of the Million Dollar Round Table and a past president of the Syracuse General Agents & Managers Assn.

Plaques for writing the highest percentage of quota in their respective group in the annual "Quota Buster" contest last November and then delivering at least 80% of this total by the end of February went to the agencies at Washington, D. C., Milwaukee, Dallas, and Fresno. The manpower awards for new organization went to the Jordan agency in Chicago, Cardais at New Orleans, Mendel at Savannah, and Marsh at Barre, Vt. The group insurance leadership award was presented to Robert L. Woods, Los Angeles.

E. Leo Smith, Indianapolis was elected to succeed Donald C. Keane New York City as president of the general agents association. Robert L. Woods, Los Angeles was elected vice-president and William R. Roberts, Boston, secretary-treasurer.

Ask High Court To Deny A&S Role FTC Seeks

(CONTINUED FROM PAGE 1)

eral statutes named in the proviso had been subject to exclusive state regulation. It is therefore not surprising that Congress saw fit to return to the states a measure of the exclusive jurisdiction which they had long possessed.

The brief characterizes as fanciful and hypothetical the FTC's contention that exclusive state regulation of insurance advertising would result in a "regulatory no-man's land". Pointing to the facts in the two cases before the court, the brief says:

"National Casualty Co. and the American Hospital & Life Insurance Co. are licensed in every state in which they disseminate advertising, and depend on the services of licensed local agents in each of these states. Under these circumstances it is indisputable that each of the states in which respondents disseminate advertising possesses, and can effectively exercise, the power to regulate the advertising disseminated within its borders. When all the states have legislated, no possible gap remains.

Convenience Called Irrelevant

"The fact that permitting the application of the Federal Trade Commission act might be 'convenient' is entirely irrelevant. Congress in passing the McCarran act was concerned

not with convenience but with preserving to the states governmental powers which they had long exclusively exercised."

Outlining the history behind the congressional enactment of the McCarran act, the brief states: "In June, 1944, this court decided for the first time that the business of insurance when transacted across state lines is interstate commerce and subject to regulation by Congress under the Commerce clause. For 75 years prior to that decision this court had held that in passing the statute Congress intended to accomplish two purposes. In the first place Congress intended that the states should be permitted to continue to regulate insurance free from commerce clause limitations, as had been the case prior to the decision in *Southeastern Underwriters*. In the second place, Congress intended that in general, but subject to particular exceptions, insurance should not be regulated by federal statutes but by state law. To that end Congress included in the statute specific limitations on the application of federal statutes to the insurance business."

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.,
135 S. LaSalle St., Chicago, April 8, 1958

	Bid	Asked
Aetna Life	177	182
Beneficial Standard	14	15
Business Men's Assurance	62½	65¼
Cal.-Western States	84	88
Columbian National	70½	72½
Commonwealth Life	18¾	20¼
Connecticut General	235	245
Continental Assurance	118	123
Franklin Life	64¾	67
Great Southern Life	72	75
Gulf Life	21	22
Jefferson Standard	71	73
Kansas City Life	1260	1300
Liberty National Life	27¾	29¼
Life & Casualty	17½	18½
Life of Virginia	89½	92
Lincoln National Life	176	180
National L. & A.	77	80
North American, Ill.	17	18
N. W. National Life	73½	77
Ohio State Life	200	230
Old Line Life	41½	43½
Republic Natl. Life	39¾	41¾
Southland Life	77	81
Southwestern Life	96½	101½
Travelers	75	77
United, Ill.	23	24
U. S. Life	29	30¼
West Coast Life	35	37
Wisconsin National Life	64	68

Harry R. Kendall Of Washington Natl. Dies

(CONTINUED FROM PAGE 1)

dent at Louisville in 1899. In his first year as superintendent of the Louisville district, he led the country in ordinary production.

The company Harry Kendall organized in 1923 was Fidelity Life & Accident, which was an immediate success and numbered among its officers several industrial life men with national reputations, as well as the retiring Kentucky insurance commissioner, James F. Ramey, who later became secretary and an executive vice-president of Washington National, which posts he held for a number of years. He is now secretary of the company's finance committee.

George Kendall also formed his own company in 1911 after many years with Prudential. Known as Washington Health & Accident and located at Springfield, Ill., it too was successful, moving its head office to Chicago in 1917. A third company, National Life of U. S. A., under President Albert M. Johnson, which began business in Washington, D. C., in 1868, also moved its head office to Chicago and became one of the city's strongest life companies, as well as a leader country-wide. These three successful companies were merged in 1926 to form Washington Fidelity National, which is now Washington National.

Harry Kendall served as ranking vice-president of the new company, being named chairman in 1927.

Of the surviving brothers, James S. and Albert W. reside at Los Angeles and South Bend, Ind., respectively, and George Kendall is chairman of Washington National's executive committee. There are also two nephews—G. Preston Kendall, who is secretary and executive vice-president, of Washington National, and C. H. Kendall, also an executive of that company.

Rosenfelder's Move Not Recent

Alfred S. Rosenfelder, whose appointment as planning manager of United States Life was reported in last week's issue, has been four years with the company as manager of systems and electronics. His resignation from Continental Casualty, which the item indicated was recent, actually took place four years ago.

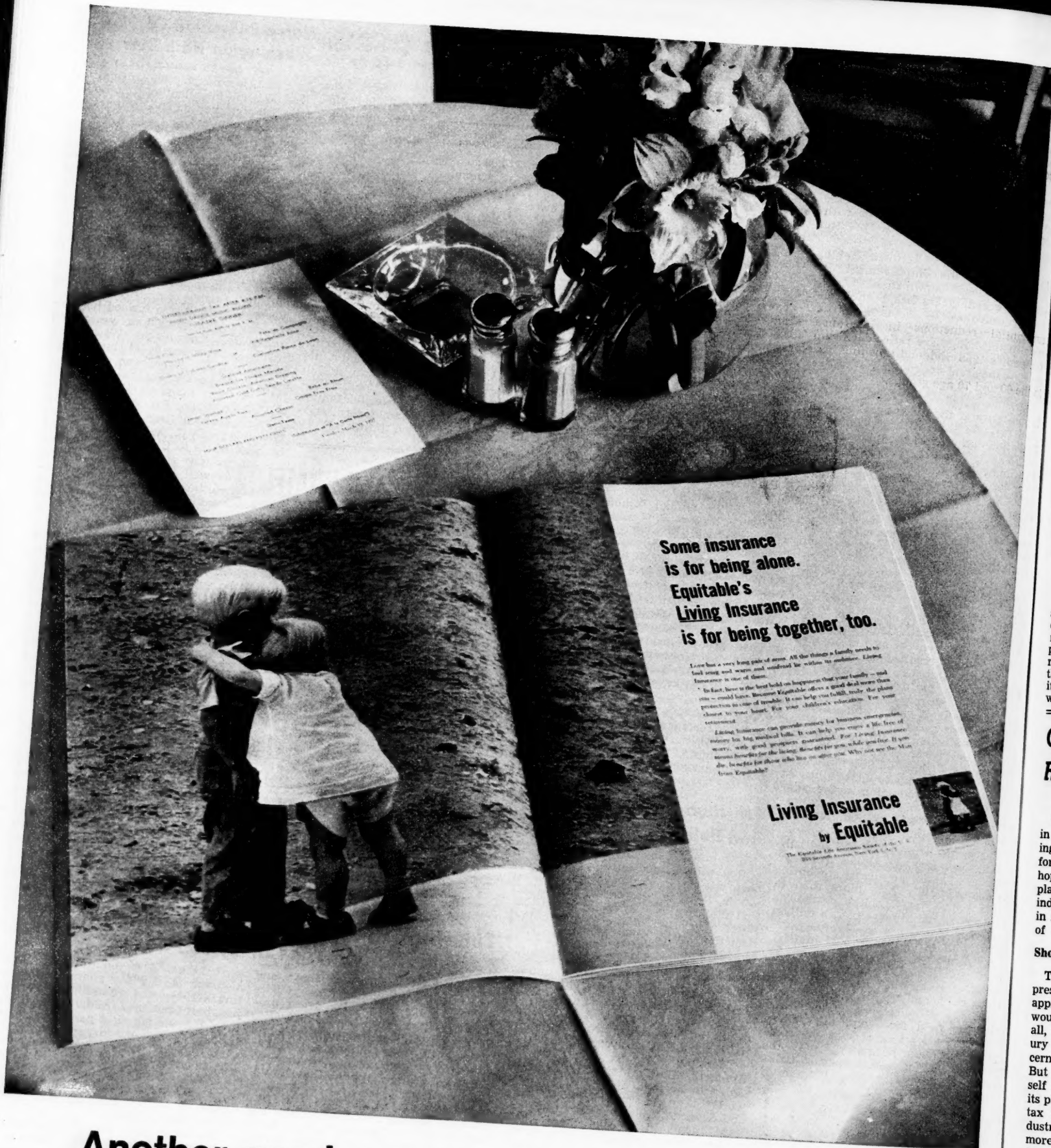
'Time Saver' For A&S Contracts Off Press 2 Months Earlier, Tops '57 By 60 Pages

Commercial, non-cancellable, and guaranteed continuable A&S policies of nearly 100 companies are represented in the 1,008-page 1958 *Time Saver* for A&S insurance, the handy annual reference volume for agents, compiled by the Accident & Sickness Bulletins of the National Underwriter Co. This year's book is more than 60 pages larger than the 1957 book and includes several added companies and numerous added contracts. It is being published about two months earlier than previously. The price remains the same, \$6.50 a copy.

The *Time Saver* each year is a trend indicator, and some insurance research organizations use it for that purpose. The trends indicated this year are that more companies have entered the non-cancellable field, and in this field it is the current tendency of companies to write loss of time for longer terms than formerly, and elimination periods of up to 180 days, for example, are not so uncommon as they

used to be. Also, additional companies are issuing the guaranteed continuable type of contracts with adjustable premiums, some in loss of time, but for the most part they are in hospital and medical, and some of these are guaranteed continuable for life. There is also the continued trend in meeting public demand by making it possible for agents to tailor the coverage by adding supplemental benefits to basic policies.

The *Time Saver* provides a complete description of the coverage portion of each policy or rider, with premiums for all ages, and with the exclusions itemized. Writing limits are given for practically every policy, and supplemental rider coverages are conveniently cross-indexed for quick reference. The book's highly detailed compilations are made possible by the cooperation of the represented companies in supplying actual copies of their contracts and complete manual information.



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